



# Industry Act 1972

## 1972 CHAPTER 63

### PART III

#### CREDITS AND GRANTS FOR CONSTRUCTION OF SHIPS AND OFFSHORE INSTALLATIONS

#### **11 Construction grants.**

- (1) Subject to the provisions of this section, the Secretary of State may make a grant to any person who has entered into a contract to construct a ship or mobile offshore installation in the United Kingdom and to equip it, if in the opinion of the Secretary of State—
- (a) it has been constructed in the United Kingdom;
  - (b) its construction on the berth commenced before 1st January 1975;
  - (c) it has been delivered on or after 1st January 1972 by the person who contracted to construct it to the person entitled to receive it under the contract;
  - (d) it is of the qualifying size.
- (2) For the purpose of calculating the amount of grant under subsection (1) above in respect of a ship or installation, the interval between the commencement of construction on the berth and the date of delivery shall be divided, subject to subsection (4) below, into five equal periods, and the contract price shall be treated as if it had been payable in the following percentages on the following dates, namely—
- (a) on the date of commencement of construction on the berth, 10 per cent.;
  - (b) on the date on which the four successive periods respectively commence, the following percentages, namely—
    - (i) 15 per cent.;
    - (ii) 20 per cent.;
    - (iii) 25 per cent.;
    - (iv) 20 per cent.;
  - (c) on the date of delivery, 10 per cent.

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*Changes to legislation: There are currently no known outstanding effects  
for the Industry Act 1972, Section 11. (See end of Document for details)*

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- (3) Grant may be paid where any percentage of the contract price of a ship or installation falls to be treated under subsection (2) above as payable in 1972, 1973 or 1974, and the rate of grant shall be the following percentages of the sum so treated, namely—
  - (a) if the relevant year is 1972, 10 per cent.;
  - (b) if the relevant year is 1973, 4 per cent.;
  - (c) if the relevant year is 1974, 3 per cent.
- (4) In any case where the interval between the commencement of construction on the berth and the date of delivery is not a number of days which is a multiple of five, the reference to five equal periods in subsection (2) above shall be taken to be a reference to five periods each consisting of a whole number of days determined by the Secretary of State, and of equal length so far as possible.
- (5) In calculating the amount of grant the Secretary of State may deduct from the contract price any such amount as in his opinion is attributable to equipment for the ship or installation in respect of which he considers (for any reason) that grant ought not to be paid.
- (6) The Secretary of State may make payments on account of grant under this section to a person who has entered into a contract to construct a ship or installation in the United Kingdom and to equip it, if construction on the berth has commenced and it appears to the Secretary of State that grant will ultimately be payable under this section in respect of it.
- (7) The references in subsections (1) and (6) above to a person who has entered into a contract to construct a ship or installation include references to a person who has entered into a contract to complete a partially constructed ship or installation, but in relation to such a ship or installation the Secretary of State may determine the amount of the grant in such manner as is in his opinion appropriate in all the circumstances.
- (8) The Secretary of State may make the payment of a grant subject to such conditions as he thinks fit, and may impose a condition for repayment of all or any part of a grant in any circumstances; and Schedule 1 to this Act shall have effect for supplementing this subsection.
- (9) No grant shall be paid under this section—
  - (a) in respect of any ship which on its delivery forms part of Her Majesty's Navy in the right of Her Government in the United Kingdom or is held by any person on behalf of or for the benefit of Her Majesty in that right;
  - (b) to an undischarged bankrupt or his trustee, or to a company in respect of which a winding up order has been made or a resolution for winding up has been passed.
- (10) An application for grant shall be made within such time and in such form or manner, and shall contain such particulars, and be accompanied by such documents, as the Secretary of State may direct.
- (11) In this section, in relation to a ship or installation—
  - “commencement of construction on the berth” means commencement of construction on the berth or in any other place from which it is launched;
  - “contract price” means the price payable under the contract for its construction and equipment;

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and any question as to what constitutes the commencement of construction on the berth or what is the contract price shall be determined by the Secretary of State.

**Modifications etc. (not altering text)**

- C1** S. 11: 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. 2(1).

**Changes to legislation:**

There are currently no known outstanding effects for the Industry Act 1972, Section 11.