



Administration of Justice Act 1982

1982 CHAPTER 53

PART VI

FUNDS IN COURT

38 Management and investment of funds in court

- (1) Subject to rules made under subsection (7) below, all sums of money, securities and effects paid and deposited in, or under the custody of—
 - (a) the High Court;
 - (b) a county court; or
 - (c) such other courts and tribunals as the Lord Chancellor may by rules made under that subsection prescribe,shall be vested in the Accountant General.
- (2) One or more accounts shall be opened and kept in the name of the Accountant General at such bank or banks as may be designated by the Lord Chancellor with the concurrence of the Treasury.
- (3) Money and securities held by the Accountant General shall vest in his successor in office without any assignment or transfer.
- (4) A sum of money paid and deposited in court may, subject to subsection (5) below, be invested and reinvested by the Accountant General in any manner authorised by rules made under subsection (7) below.
- (5) Where—
 - (a) a court orders that a particular fund in court shall be invested in a specified manner ; and
 - (b) that manner is authorised by the rules referred to in subsection (7) below,the Accountant General shall invest the fund in accordance with the order.

Status: This is the original version (as it was originally enacted).

- (6) The Accountant General may, in such cases as the Lord Chancellor may by rules made under subsection (7) below prescribe, apply to the court for an order for directions as to the manner in which a particular fund in court is to be dealt with.
- (7) The Lord Chancellor, with the concurrence of the Treasury, may make provision as to the payment of interest on funds in court and may make rules as to the administration and management of funds in court including the deposit, payment, delivery and transfer in, into and out of any court of funds in court and regulating the evidence of such deposit, payment, delivery or transfer.
- (8) Rules made under subsection (7) above may—
 - (a) provide for the discharge of the functions of the Accountant General under the rules by a person or persons appointed by him ;
 - (b) provide for the transfer of money in court to and from the Commissioners;
 - (c) provide for money paid and deposited in a county court to be vested in, and accounted for by, a person other than the Accountant General;
 - (d) prescribe cases in which interest is to be paid on funds in court;
 - (e) prescribe cases in which funds in court are to be in vested ;
 - (f) make provision for the transfer of funds in court from one court to another ; and
 - (g) prescribe cases in which moneys payable under a judgment or order shall be paid into court.
- (9) Any such rules may make different provision for different cases.

39 Investment of money transferred to National Debt Commissioners

- (1) The Commissioners may invest, in such manner as may be prescribed by regulations made by the Treasury, money transferred to them in pursuance of rules made under section 38(7) above or section 82(1) of the Judicature (Northern Ireland) Act 1978 and the interest or dividends accruing on investments made under this subsection.
- (2) If in any accounting year the aggregate of the sums of money received by the Commissioners by way of interest and dividends on investments made by them under subsection (1) above, after deduction of—
 - (a) any sum required by the Treasury to be set aside to provide for depreciation in the value of investments so made; and
 - (b) such sum as the Lord Chancellor may with the concurrence of the Treasury direct to be paid to him in respect of the cost to him in that year of administering funds in court,
 exceeds the aggregate of the sums due to be paid or credited in respect of that year by way of interest on funds in court, the excess shall be paid into the Consolidated Fund.
- (3) If in any accounting year the aggregate of the sums of money received as mentioned in subsection (2) above, after deduction of the sum or sums falling to be deducted under paragraph (a) and (b) of that subsection, is less than the aggregate of the sums due as mentioned in that subsection, the deficiency shall be made good out of the Consolidated Fund.
- (4) The Commissioners shall pay to the Lord Chancellor any sum deducted by them under subsection (2)(b) above; and any sum received by the Lord Chancellor under this subsection shall be paid into the Consolidated Fund.

- (5) If at any time the Commissioners are unable to pay—
- (a) to the Accountant General a sum due from them to him under rules made under section 38(7) above; or
 - (b) to the Accountant General of the Supreme Court of Judicature of Northern Ireland a sum due from them to him under rules made under section 82(1) of the Judicature (Northern Ireland) Act 1978,
- the Treasury shall provide them with it out of the Consolidated Fund.

40 Statutory deposits

- (1) Where money or securities are deposited with the Accountant General under any enactment or subordinate legislation, whether passed or made before or after the commencement of this Part of this Act, they shall for the purposes of this Part of this Act be treated as if they were funds in court except in so far as—
- (a) the enactment; or
 - (b) the subordinate legislation ; or
 - (c) rules made under section 38(7) above,
- provide to the contrary.
- (2) In subsection (1) above "subordinate legislation" means Orders in Council, orders, rules, regulations and other instruments made or to be made under any Act.

41 Transfer of funds in court to Official Custodian for Charities and Church Commissioners

- (1) Any funds for the time being vested in the Accountant General and held by him in trust for any charity or in trust for any ecclesiastical corporation in the Church of England may, if the Accountant General on an application made in that behalf to him by the Charity Commissioners or the Church Commissioners thinks fit so to direct, be transferred to the Official Custodian for Charities or the Church Commissioners, as the case may be.
- (2) Any funds transferred by virtue of a direction given under subsection (1) above shall be vested in and held by the Official Custodian for Charities or the Church Commissioners respectively in trust for the charity or ecclesiastical corporation upon the trusts upon which the funds were held before the transfer.
- (3) In this section "ecclesiastical corporation" means a capitular body within the meaning of the Cathedrals Measure 1963 or the incumbent of a benefice.

42 Common investment schemes

- (1) The Lord Chancellor may continue to make schemes ("common investment schemes") establishing common investment funds for the purpose of investing funds in court and money held by any person who in accordance with subsection (5)(b) below may hold shares in common investment funds.
- (2) A common investment scheme shall provide for the fund thereby established to be under the management and control of an investment manager appointed by the Lord Chancellor.

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

- (3) A common investment scheme shall make provision for the investment by its investment manager in accordance with the provisions of this section of funds in court transferred to the fund under rules made by virtue of section 38(7) above and of any sums of money transferred to the fund by persons who in accordance with subsection (5)(b) below may hold shares in the fund.
- (4) A common investment scheme shall make provision—
 - (a) for treating the fund established by it as being divided into shares; and
 - (b) for treating a sum invested in the fund as being represented by a number of shares determined by reference to that sum and the value of the fund at the time the investment was made.
- (5) Shares in a common investment fund—
 - (a) shall be allotted to and held by the Accountant General and
 - (b) may be allotted to and held by the Accountant General of the Supreme Court of Judicature of Northern Ireland and any other person authorised by the Lord Chancellor.
- (6) Where a person is authorised under subsection (5) above to hold shares in a common investment fund—
 - (a) he shall have the same power to invest trust money in shares in the fund as if they were investments specified in Part I of Schedule 1 to the Trustee Investments Act 1961; and
 - (b) he may invest trust money in a common investment fund of which he is the investment manager.
- (7) Moneys comprised in the fund established by a common investment scheme may, subject to the provisions of the scheme, be invested by the investment manager of the fund in any way in which he thinks fit, whether or not authorised by the general law in relation to trust funds.
- (8) Neither the Prevention of Fraud (Investments) Act 1958 nor the Prevention of Fraud (Investments) Act (Northern Ireland) 1940 shall apply to dealings undertaken or documents issued for the purposes of a common investment scheme.
- (9) The investment manager of a fund established by a common investment scheme shall not be required or entitled to take account of any trusts or equities affecting any share in the fund whether or not he is also a trustee of any such trust.
- (10) The investment manager of a fund established by a common investment scheme shall be remunerated at such rates and in such manner as the Lord Chancellor shall with the concurrence of the Treasury determine.
- (11) The salary or remuneration of an investment manager and his officers and such other expenses of executing his office or otherwise carrying this Part of this Act into effect as may be sanctioned by the Treasury shall be paid out of moneys provided by Parliament.
- (12) There shall be charged in respect of the running of a common investment scheme such fees, whether by way of percentage or otherwise, as the Lord Chancellor shall with the concurrence of the Treasury fix and such fees shall be collected and accounted for by such persons, and in such manner, and shall be paid to such account, as the Treasury direct.

- (13) There shall be retained or paid out of a fund established by a common investment scheme any expenses which could be so retained or paid out of trust property if the investment manager of the fund were a trustee and such expenses shall be retained or paid in the same way as and in addition to fees charged in respect of the running of the scheme.
- (14) Fees and expenses recovered under this section shall be paid into the Consolidated Fund.
- (15) Money and securities held by an investment manager of a fund established by a common investment scheme shall vest in his successor in office without any assignment or transfer.
- (16) The power conferred by subsection (1) above to make a common investment scheme shall include the power to vary or revoke such a scheme.

43 Provision for making good defaults

If the Lord Chancellor, whether on a recommendation made to him by any person interested or not, certifies—

- (a) that the Accountant General; or
- (b) that the manager of a common investment fund,

has been guilty of any default with respect to any money, securities and effects for which he is responsible under this Part of this Act, such sum as may be certified by the Lord Chancellor to be necessary for making good the default shall be paid out of moneys provided by Parliament or, if and so far as it is not so paid, shall be charged on and issued out of the Consolidated Fund.

44 Power to repeal and modify ss. 42 and 43

- (1) Her Majesty may by Order in Council—
 - (a) repeal subsections (8), (10), (12), (14) and (15) of section 42 above and section 43 above ; or
 - (b) make such modifications to those enactments as Her Majesty considers appropriate.
- (2) Any Order in Council made under subsection (1) above shall be subject to annulment in pursuance of a resolution of either House of Parliament.

45 Accounts

- (1) Accounts shall be prepared and shall at such times as the Treasury shall direct be sent to the Comptroller and Auditor General—
 - (a) in respect of his transactions under section 38 above, by the Accountant General;
 - (b) in respect of their transactions under section 39 above. by the Commissioners ; and
 - (c) in respect of transactions in a fund established by a common investment scheme, by the investment manager.
- (2) The accounts shall be in such form and shall be prepared in respect of such periods as the Treasury may direct.

- (3) The Comptroller and Auditor General shall examine, certify and report on accounts sent to him under subsection (1) above and lay copies of them and his report on them before each House of Parliament.

46 Supplemental

- (1) Any power conferred by this Part of this Act to make a scheme or rules or regulations shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (2) The following amendments shall have effect—
- (a) the words " invested under section 38 of the Administration of Justice Act 1982 " shall be substituted for the words " dealt with under section 6 of the Administration of Justice Act 1965 " in each case where they occur in the following enactments—
- (i) section 46 of the Chelsea and Kilmainham Hospitals Act 1826;
 - (ii) section 12 of the Ecclesiastical Houses of Residence Act 1842;
 - (iii) sections 70, 78 and 86 of the Lands Clauses Consolidation Act 1845 ;
 - and
 - (iv) section 9 of the Tithe Act 1846 ;
- (b) the words " section 42 of the Administration of Justice Act 1982 " shall be substituted for the words " section 1 of the Administration of Justice Act 1965 " —
- (i) in section 11(a) of the Light Railways Act 1896; and
 - (ii) in section 20(1) of the Insurance Companies Act 1958 ;
- (c) in section 7(1) of the Industrial Assurance Act 1923, for the words from the beginning of paragraph (a) to " 1958 " there shall be substituted—
- “(a) the provision substituted by the Administration of Justice Act 1965 for section 19(1) of the Insurance Companies Act 1958 and the provision so substituted for section 20(1) of that Act, as amended by section 46(2)(c) of the Administration of Justice Act 1982,”;
- (d) in Schedule 1 to the Administration of Justice Act 1965, in the entry relating to the Tramways Act 1870—
- (i) the words " of the Supreme Court" shall be inserted after the words " Accountant General " in the first and second place where they occur; and
 - (ii) the words " under section 42 of the Administration of Justice Act 1982 " shall be added after the words " common investment schemes ";
- (e) in section 413 of the Income and Corporation Taxes Act 1970—
- (i) in subsection (1), for the words from " section 1 " to " Trustee", in the second place where it occurs, there shall be substituted the words
- “section 42 of the Administration of Justice Act 1982 is for the time being designated for the purposes of this subsection by an agreement between the Board and the investment manager of the fund—
- (a) the investment manager”;

- (ii) in subsection (4), after the word " General" there shall be inserted the words " and any other person authorised to invest in a fund designated for the purposes of subsection (1) above "; and
- (iii) in subsection (5), for the words " Public Trustee " there shall be substituted the words " or the investment manager of the fund ";
- (f) in section 99(3) of the Capital Gains Tax Act 1979—
 - (i) in paragraph (a), for the words " section 14 of the Administration of Justice Act 1965 " there shall be substituted the words " section 40 of the Administration of Justice Act 1982 "; and
 - (ii) in paragraph (b) for the words from " any " to " Ireland", in the first place where it occurs, there shall be substituted the words " money in the Supreme Court of Judicature of Northern Ireland "; and
- (g) in section 9(7) of the Insurance Companies Act 1981 for the words " section 7 of the Administration of Justice Act 1965 " there shall be substituted the words " section 38(7) of the Administration of Justice Act 1982 ".

47 Interpretation

In this Part—

- " Accountant General" means the Accountant General of the Supreme Court;
 - " the Commissioners " means the National Debt Commissioners ;
 - " a common investment scheme " means a scheme made under section 42 above ;
 - " funds " or " funds in court" means—
 - (a) any money, securities or other investments (including foreign currency and assets) standing or to be placed to the account—
 - (i) of the Accountant General by virtue of section 38(1) above; or
 - (ii) of any other person by virtue of rules made under subsection (7) of that section ;
 - (b) any effects deposited with the Accountant General by virtue of section 38(1) above ;
- but does not include any statutory deposit referred to in section 40 above.

48 Application of Part VI to Scotland

This Part of this Act shall apply to Scotland only in relation to money or securities deposited with the Accountant General in the circumstances referred to in section 40 above ; and in the application to Scotland of the power to make rules under section 38(7) above as to the payment or transfer out of court of money or securities treated, by virtue of section 40 above, as if, for the purposes of this Part of this Act, they were funds in court, for the reference to the Lord Chancellor there shall be substituted a reference to the Secretary of State.