1953 No. 206

The Coal Industry Nationalisation (Revenue Payments) Regulations, 1953

Made - - - -	10*th February*, 1953
Laid before Parliament	12*th February*, 1953
Coming into Operation	1*st March*, 1953

The Minister of Fuel and Power (in these regulations referred to as "the Minister") in exercise of the powers conferred upon him by section one of the Coal Industry (No. 2) Act, 1949(**a**) (in these regulations referred to as "the Act of 1949"), and of all other powers him enabling, hereby makes the following regulations:—

Excess over aggregate to be satisfied

1.—(1) If the amount paid to any colliery concern or subsidiary under section one of the Act of 1949 in respect of any year, exceeds the aggregate towards satisfaction of which it is under subsection (3) of the said section to be treated as being made, the amount of the excess shall, if the Minister by notice in writing so requires, be repaid by the concern or subsidiary to the Minister in accordance with that notice.

(2) Any sum to be repaid in pursuance of the foregoing paragraph shall be a debt due to the Crown, and, without prejudice to any other mode of recovery, may be recovered, in whole or in part, by way of deduction from any compensation thereafter falling to be made under the Coal Industry Nationalisation Act, 1946(**b**) (in these regulations referred to as "the Act of 1946"), by reason of the transfer of any transferred interests of the concern or subsidiary.

(3) Where any repayment of an excess is made in pursuance of this regulation—

(*a*) the sum repaid shall be applied in reduction of amounts due to be paid to the Minister by the National Coal Board under section twenty-eight of the Act of 1946; and

(*b*) the relevant payment made to the concern or subsidiary under section one aforesaid shall, for the purpose of subsection (3) thereof, be treated, as from the date of the repayment, as if it had been a payment only of the amount of the difference between the sum paid and the sum repaid.

Recovery of excess by deduction from compensation

2.—(1) Where any part of a sum to be repaid under the foregoing regulation is recovered by way of deduction from compensation, the person legally entitled to that compensation shall be entitled to set off against the deduction—

(*a*) the appropriate amount as provided in paragraph (*a*) of the proviso to subsection (5) of section one of the Act of 1949; and

(*b*) an amount which bears to the amount of the deduction the same proportion that the amount of profits tax ultimately borne by the concern or subsidiary (as determined in accordance with the rules set out in the

(a) 12, 13 & 14 Geo. 6. c. 79. (b) 9 & 10 Geo. 6. c. 59.

schedule to these regulations) in respect of the aggregate (as so determined) of its profits which are attributable to the year in respect of which the excess arises (in these regulations, in relation to any such recovery, referred to as " the year of excess ") bears to that aggregate.

(2) If a person legally entitled to compensation has been unable to exercise his right to set off against a deduction any sum specified in sub-paragraph (*a*) or (*b*) of the foregoing paragraph because that sum could not then be ascertained, he may recover that sum as a debt due from the Minister when it has been ascertained.

General

3.—(1) In these regulations, the following expressions have the meanings hereby assigned to them respectively—

" chargeable accounting period " means a chargeable accounting period for the purposes of the profits tax ;

" year of excess " has the meaning assigned by paragraph (*b*) of regulation two.

(2) The Interpretation Act, 1889(a), shall apply to the interpretation of these regulations as it applies to the interpretation of an Act of Parliament.

4. These regulations shall come into operation on the first day of March, nineteen hundred and fifty-three, and may be cited as the Coal Industry Nationalisation (Revenue Payments) Regulations, 1953.

Dated this tenth day of February, nineteen hundred and fifty-three.

Geoffrey Lloyd,
Minister of Fuel and Power.

SCHEDULE Reg. 2

Rules for determination of profits and profits tax

1. If the year of excess comprises parts of more than one chargeable accounting period, there shall be ascertained for each such part—

(*a*) a sum which bears to the aggregate of the profits attributable to the chargeable accounting period concerned, determined as provided in these rules, and

(*b*) a sum which bears to the total amount of the profits tax ultimately borne in respect of the profits for that period, as so determined,

the same proportion that the duration of the part bore to the duration of the period ; and the aggregate of the amounts ascertained under sub-paragraphs (*a*) and (*b*) shall be deemed to be respectively the aggregate of the profits attributable to the year of excess, and the amount of the profits tax ultimately borne in respect of that aggregate.

2. The aggregate of the profits attributable to any chargeable accounting period, or the amount of the profits tax charged in respect of those profits, or the amount of any component of either of them, as agreed between the Commissioners of Inland Revenue and the concern or subsidiary, or another body corporate on its behalf, or as determined on appeal, for the purposes of the profits tax, shall, subject to—

(*a*) any subsequent adjustment thereof so agreed or determined,

(*b*) rule five of these rules, and

(*c*) the provisions for abatement in section thirty-three of the Finance Act, 1947(b),

(a) 52 & 53 Vict. c. 63. (b) 10 & 11 Geo. 6. c. 35.

be treated as the aggregate of the profits attributable to that period, or as the amount of the profits tax ultimately borne by the concern or subsidiary in respect of those profits, or as the amount of that component, as the case may be, for the purposes of these rules.

3. The amount of any franked investment income, as defined in paragraph seven of the fourth schedule to the Finance Act, 1937(a) (as amended by section thirty-two of the Finance Act, 1947) shall be excluded from the aggregate of the profits.

4. The amount of any distribution charge made in pursuance of subsection (3) of section thirty of the Finance Act, 1947, shall be excluded from the amount of the profits tax charged.

5. If, by virtue of any notice in force under subsection (1) of section twenty-two of the Finance Act, 1937, in relation to the concern or subsidiary—

(*a*) it is for the purposes of the profits tax treated as a subsidiary of another body corporate,—

(i) the aggregate of its profits attributable to any chargeable accounting period shall be deemed to be the amount included in respect of its profits in the assessment or, where there are more than one, all the assessments to the profits tax (as finally determined) made on that other body corporate for the corresponding chargeable accounting period of that other body corporate ; and

(ii) the amount of any payment made by it to that other body corporate in respect of any chargeable accounting period, by way of reimbursement of profits tax which by virtue of the said notice is payable by that other body corporate shall be deemed to be the amount of the profits tax ultimately borne by it for that period ; or

(*b*) any other body corporate is for those purposes treated as its subsidiary, the amount of any payment made to it by that other body corporate in respect of any chargeable accounting period, by way of such reimbursement as aforesaid, shall be excluded from the amount of the profits tax ultimately borne by it in respect of that period.

EXPLANATORY NOTE

(This note is not part of these regulations, but is intended to indicate their general purport.)

These regulations contain supplementary provisions in connection with the payments to be made to certain colliery concerns (and subsidiaries) under the Coal Industry (No. 2) Act, 1949.

The concerns affected are those which, as colliery concerns (or subsidiaries) within the meaning of the Coal Industry Nationalisation Act, 1946, were entitled to revenue payments under sec. 22 of that Act. Under the 1949 Act, they are to receive further revenue payments, the amount of which is fixed by the Act but which under it are to be treated as payments on account of the additions (ultimately to be made by way of interest) to their compensation under the 1946 Act.

Where a payment under the 1949 Act exceeds the additions to which the concern is entitled, the Minister of Fuel and Power is empowered by regulation 1 to recover the amount of the excess as a debt due to the Crown.

In addition to the other methods available for the recovery of Crown debts, recovery may be effected by deductions from any compensation made thereafter under the 1946 Act in respect of the transfer to the National Coal Board of any of the concern's interests.

(a) 1 Edw. 8 & 1 Geo. 6. c. 54.

Regulation 2 provides that if such a deduction is made, proportionate sums may be set off against the amount of the deduction, in respect of the liability to income tax and profits tax which the concern incurred by reason of the original payment to it. The proportions are laid down in the proviso to section 1 (5) of the 1949 Act. But the schedule to these regulations contains rules for the ascertainment of the aggregate profits and the amount of profits tax charged, which are needed in order to arrive at the statutory proportion to be set off. The totals brought into calculation are to be the totals fixed for Inland Revenue purposes. The particular year of excess is to be split up, if it comprises parts of more than one chargeable accounting period, so that a correct figure of profits and profits tax may be brought in for each. Franked investment income is to be excluded from the figures of profits, and distribution charges from the figures of profits tax. Special provision is made for cases where a concern is a subsidiary of another company for profits tax purposes, and where, by virtue of a notice having been given under section 22 of the Finance Act, 1937, the profits of the subsidiary have been treated as the profits of the principal company.

1953 No. 521

The Coal Industry Nationalisation (Satisfaction of Compensation) (Amendment) Regulations, 1953

Made - - - -	*23rd March*, 1953
Laid before Parliament	*25th March*, 1953
Coming into Operation	*1st April*, 1953

The Minister of Fuel and Power (in these regulations referred to as "the Minister") in exercise of the powers conferred upon him by section twenty-one of the Coal Industry Nationalisation Act, 1946(a), and of all other powers him enabling, hereby makes the following regulations:—

1. For sub-paragraph (*f*) of paragraph (1) of regulation fifteen of the Coal Industry Nationalisation (Satisfaction of Compensation) Regulations, 1947(b), as amended(c), there shall be substituted the following sub-paragraph:—

"(*f*) in a case where in respect of all the transferred interests in any compensation unit—

(i) the compensation has been determined and the compensation or, if it has been partially satisfied, the unsatisfied part thereof, does not exceed two thousand pounds, or

(ii) the compensation has not been determined but the Minister has certified that in his opinion the compensation or, if it has been partially satisfied, the unsatisfied part thereof, is unlikely to exceed two thousand pounds,

so much of the compensation in respect of that compensation unit as has not been satisfied;"

(a) 9 & 10 Geo. 6. c. 59. (b) S.R. & O. 1947/1946; Rev. IV, p. 182; 1947 I, p. 278.
(c) The relevant amending regulations are
S.R. & O. 1947/2838; Rev. IV, p. 182; 1947 I, p. 300.
S.I. 1948/2772; Rev. IV, p. 182; 1948 I, p. 516.
S.I. 1950/149; 1950 I, p. 369.