STATUTORY INSTRUMENTS

1975 No. 615

COUNTER-INFLATION

The Counter-Inflation (Dividends) (Amendment) Order 1975

Made - - -	15*th April* 1975
Laid before Parliament	15*th April* 1975
Coming into Operation	16*th April* 1975

The Treasury, in exercise of the powers conferred on them by section 10 of, and paragraph 1(1), (4) and (6) of Schedule 3 to, the Counter-Inflation Act 1973(**a**) and of all other powers enabling them in that behalf, hereby make the following Order:—

1.—(1) This Order may be cited as the Counter-Inflation (Dividends) (Amendment) Order 1975, and shall come into operation on 16th April 1975.

(2) The Interpretation Act 1889(**b**) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

2. The Counter-Inflation (Dividends) Order 1973(**c**), as amended(**d**), is hereby further amended by the insertion, next after paragraph (1) of Article 4, of the following paragraph:—

"(1A) Where—

(*a*) the consent in writing of the Treasury is given so as to authorise the declaration on or after 16th April 1975 of an amount of ordinary dividends by a company for a financial year, being an amount that would otherwise be in excess of that permissible under paragraph (1) above, and the excess arises by reason only of the effect on the operation of paragraph (4) below of an increased rate of advance corporation tax for the year 1975-76; or

(*b*) an amount of ordinary dividends declared before 16th April 1975 by a company for a financial year is increased by reason only of the effect on the operation of the said paragraph (4) of such an increased rate as aforesaid,

then, for the purpose of determining in accordance with paragraph (1) above the amount of ordinary dividends which may lawfully be declared by such a company for succeeding financial years, the first mentioned amount shall be taken to be that which it would have been under the said paragraph (4) if such consent had not been given or, as the case may be, such increase had not occurred".

Harold Wilson,
Denis Healey,
Two of the Lords Commissioners of Her Majesty's Treasury.

15th April 1975.

(a) 1973 c. 9. (b) 1889 c. 63. (c) S.I. 1973/659 (1973 I, p. 2135).
(d) S.I. 1973/1801, 1974/1223 (1973 III, p. 5525; 1974 II, p. 4641).

EXPLANATORY NOTE

(This Note is not part of the Order.)

Ordinary dividends are controlled under the Counter-Inflation (Dividends) Order 1973 on the amount declared and that amount is stated in Article 4(4) to be the aggregate of the dividend and the proportion thereof which corresponds to the rate of advance corporation tax in force when the dividend is paid. This Order amends the 1973 Order to provide in relation to certain cases that where an amount declared for a financial year is increased by reason of an increased rate of tax for 1975–76, the increase shall not be taken as having the effect of enlarging the reference basis for dividends to be declared for succeeding financial years.

SI 1975/615
ISBN 0-11-050615-4

