STATUTORY INSTRUMENTS

1973 No. 778

COUNTER-INFLATION

The Counter-Inflation (Prices and Charges) (Information) Order 1973

Made - - - -	18*th April* 1973
Coming into Operation	29*th April* 1973

The Secretary of State, in exercise of powers conferred on him by section 15 of the Counter-Inflation Act 1973**(a)** and of all other powers enabling him in that behalf, hereby makes the following Order:—

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Counter-Inflation (Prices and Charges) (Information) Order 1973 and shall come into operation on 29th April 1973.

(2) In this Order—

"the Act" means the Counter-Inflation Act 1973;

"bank, finance house or similar enterprise" means a person (other than a building society incorporated under the Building Societies Act 1962**(b)** or under the enactments repealed by that Act) whose ordinary business includes the business of banking, the business of lending money, the letting of goods under hire purchase agreements, the selling of goods under conditional sale agreements or the leasing of industrial, construction or office plant, machinery or other equipment;

"base period" has the meaning assigned to it in article 2(5);

"coal or steel undertaking" means an undertaking as defined in article 80 of the Treaty establishing the European Coal and Steel Community, signed at Paris on 18th April 1951, otherwise than for the special purposes therein mentioned;

"the code" means the code for the time being contained in an order **(c)** under section 2 of the Act;

"distributor" means a person who carries on in the course of business activities falling within Order XXIII of the Standard Industrial Classification (other than the wholesale slaughtering of animals for human consumption, leasing industrial or office machinery or the hiring of furniture, radio and television sets and other domestic appliances);

"gross percentage margin" has the same meaning as it has in and for the purposes of the code;

"manufacturer" means a person who carries on in the course of business activities falling within Orders II, III (other than the quick freezing of meat, poultry or fish, the curing of bacon or ham and the preparation of oven ready poultry), IV to XIX, XXI and XXII of the Standard Industrial Classification;

(a) 1973 c. 9. **(b)** 1962 c. 37.
(c) *See* S.I. 1973/658 (1973 I, p. 2106).

"net profit margin" has the same meaning as it has in and for the purposes of the code;

"the notification order" means the Counter-Inflation (Notification of Increases in Prices and Charges) Order 1973**(a)**;

"provider of construction services" means a person who carries on in the course of business activities falling within Order XX of the Standard Industrial Classification (other than the hiring of contractors' plant and scaffolding);

"provider of professional services" means a person who carries on in the course of business activities falling within Order XXV (other than the provision of school meals) of the Standard Industrial Classification or the activity of a house or estate agent;

"provider of services" means a person who carries on in the course of business activities falling within minimum list headings 864 and 865 of Order XXIV or within Order XXVI of the Standard Industrial Classification or the hiring of furniture, radio and television sets and other domestic appliances;

"sales" (except in paragraphs 2, 4 and 5 of Part I of the Schedule) means sales as ascertained under article 2;

"the Standard Industrial Classification" means the edition thereof published in 1968 by Her Majesty's Stationery Office as amended by Amendment List No. 1 published by Her Majesty's Stationery Office in 1970.

(3) Paragraph 2(1) of Schedule 3 to the Act (which relates to the identification of two or more different persons) shall apply for the purposes of this Order as it applies for the purposes of sections 5 and 7 of the Act, but, in relation to articles 3, 5 and 6 only so as to require a person to furnish returns or to keep records relating to the activities which he himself carries on: provided that any of the several persons who are by virtue of this paragraph to be treated as one may furnish returns or keep records on behalf of any other such person.

(4) Nothing in this Order applies to any person who is a body established for religious, charitable, educational, representational or recreational purposes, which is non-profit making and does not carry on a trade or business as its main activity.

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

Ascertainment of sales

2.—(1) This article shall have effect for ascertaining the amount of sales for the purposes of articles 3, 5 (except paragraph (2)(*a*)(i)) and 6.

(2) Subject to paragraphs (3) and (4) of this article, there shall be taken into account in determining sales in relation to goods the total amount (excluding excise duties) of prices charged for their sale or appropriation in the course of business in the base period and, in relation to services of all descriptions, the total amount of charges made in the base period for their performance, there being left out of account, in either case, trade discounts, rebates and other allowances.

(3) There shall be left out of account—

(*a*) any price or charge to which by virtue of paragraph 1 of Schedule 2 to the notification order that Order does not apply and, in the case of

(a) S.I. 1973/664 (1973 I, p. 2151). **(b)** 1889 c. 63.

transport, charges for carriage between terminals of which one or both are outside the United Kingdom and charges for carriage between points in the United Kingdom where the tariff applicable to those charges is one for the whole of the first mentioned carriage; and in this paragraph "United Kingdom" includes the Isle of Man and the Channel Islands;

(*b*) in the case of a person who is a manufacturer, the price for the sale of goods manufactured by another person;

(*c*) in the case of a person who is a manufacturer, distributor, provider of services, provider of construction services or provider of professional services, the price for the sale of goods or the charge for the performance of services in the course of any activity not mentioned in the respective definitions of those expressions in article 1(2); and

(*d*) in the case of a person who has ceased to carry on an activity in the course of business since the beginning of the base period, any price or charge in respect of that activity.

(4) Where a person has not carried on an activity in the course of business throughout the whole of the base period—

(*a*) in the case of a person who commenced to carry on that activity in the course of business (not being an activity to which sub-paragraph (*b*) of this paragraph applies), the amounts determined under this article apart from this paragraph shall be increased by the proportion which 12 months bears to the period falling within the base period during which he so carried on that activity;

(*b*) in the case of a person who commenced to carry on that activity in the base period in succession to another person (whether upon purchase, amalgamation or reconstruction, or otherwise) the amounts determined under this article apart from this paragraph both in respect of the person and that of other person shall be aggregated and—

(i) if the aggregate of the periods during which the person and that other person carried on that activity during the base period exceeds 12 months, the aggregated amounts shall be reduced; or

(ii) if the aggregate of those periods is less than 12 months, the aggregated amounts shall be increased;

by the proportion which 12 months bears to the aggregate of those periods;

(*c*) in the case of a person who commenced to carry on an activity after the end of the base period in succession to another person (whether upon purchase, amalgamation or reconstruction, or otherwise) this article shall apply to the person as it would have applied to that other person had he carried on no other activity in the course of business in the base period.

(5) In this Order, "base period" in relation to any person means his latest completed year of account; and the amounts referred to in paragraph (2) above shall, where the accounting period is longer than 12 months, be reduced or, where the accounting period is shorter than 12 months, be increased by the proportion which 12 months bears to the length of the accounting period.

Obligation to furnish periodical returns

3. Subject to article 8, each person—

(*a*) who is a manufacturer and has sales exceeding £5,000,000;

(*b*) who is a distributor and has sales exceeding £10,000,000;

(*c*) who is a provider of services and has sales exceeding £5,000,000;

(*d*) who is a provider of construction services and has sales exceeding £10,000,000 or, in relation to paragraphs 1(1) and 9 of Part I of the Schedule, who is a provider of construction services;

(*e*) who is a provider of professional services and has sales exceeding £500,000; or

(*f*) who is a bank, finance house, or similar enterprise and had on 30th March 1973 gross sterling deposits exceeding £200,000,000 or in the case of one or more companies which are banks, finance houses or similar enterprises and are controlled by the same person, together with that person, had on that date gross sterling deposits exceeding that amount;

shall furnish to the Commission returns in accordance with article 4 relating to each activity carried on by him in the course of business being an activity referred to in the relevant definition in article 1(2).

Time for and contents of returns

4.—(1) Returns under article 3 (reconcilable with annual accounts)—

(*a*) may be related to management accounting periods, but shall relate to periods of 4, 8 or 12 weeks or to periods of 3 months and shall be not more than 5 in number in each year; and

(*b*) subject to paragraph (2) below, shall relate to all times after 28th April 1973;

and each return shall be furnished to the Commission within 42 days after the end of the period to which it relates.

(2) A person shall furnish a return for the period beginning not later than 29th April 1973 and ending not later than 30th June 1973: provided that such return may, but shall not be required to, contain particulars relating to a time before 29th April 1973.

(3) No return shall be required to be furnished in relation to any period of 4 weeks during the whole of which article 3 does not apply to the person in question, or in respect of any matter of which particulars have not changed since the preceding return.

(4) A return under article 3—

(*a*) shall specify the period to which it relates and shall contain particulars of the matters specified in Part I of the Schedule; and

(*b*) shall contain a declaration in the form and containing the particulars specified in Part II of the Schedule signed by the person or one of the persons required to make the return or, in the case of a company, by an officer of the company.

Other particulars to be furnished to the Price Commission

5.—(1) Subject to article 8—

(*a*) each person who is a manufacturer and has sales exceeding £50,000,000 or who is a provider of services and has sales exceeding £20,000,000 shall before 31st May 1973 furnish to the Commission a return containing particulars of the matters specified in paragraph (2)(*a*)(i) and (ii) below, and

(*b*) each person who, not being a person referred to in paragraph (*a*) above, is a person referred to in article 3, shall—

(i) not later than 31st May 1973 furnish to the Commission particulars of the matters specified in paragraph (2)(*a*)(ii) and (iii) below; and

(ii) not later than the time when his first return under article 3 is required to be furnished, furnish to the Commission particulars of the matters specified in paragraphs (2)(*a*)(i) and (2)(*b*) below.

(2) The particulars referred to in paragraph (1) above are—

(*a*) in every case—

(i) the reference level or levels of the net profit margin, together with the manner in which they are calculated, and, where more than one reference level is specified, particulars of the sub-divisions of the enterprise to which each relates;

(ii) particulars of the amount appearing to the person in question to be the amount of his sales ascertained under article 2 or, in the case of a bank, finance house or similar enterprise, his gross sterling deposits ascertained in the manner referred to in article 3(*f*); and

(iii) the date of termination of the period to which his first return under article 3 will relate;

(*b*) in the case of each person, as a distributor, particulars of the figure appearing to the person in question to be his gross percentage margin.

Obligation to keep records

6. Subject to article 8, each person (other than a person referred to in article 3)—

(*a*) who is a manufacturer and has sales exceeding £1,000,000;

(*b*) who is a distributor and has sales exceeding £250,000;

(*c*) who is a provider of services and has sales exceeding £250,000;

(*d*) who is a provider of construction services and has sales exceeding £1,000,000;

(*e*) who is a provider of professional services and has sales exceeding £100,000; or

(*f*) who is a bank, finance house or similar enterprise and—

(i) on 30th March 1973 had outstanding lending balances owed by customers and balances outstanding under hire purchase or conditional sale agreements, repayable or payable in sterling; and

(ii) in relation to the leasing of plant or machinery, has sales;

exceeding in total £10,000,000 or, in the case of one or more companies which are banks, finance houses or similar enterprises and are controlled by the same person, together with that person, had such balances and sales exceeding in total £10,000,000;

shall keep the records specified in article 7.

7.—(1) The records referred to in article 6 are records of the particulars specified in Part I of the Schedule, but those records may be comprised in or combined with other records from which those particulars may readily be derived.

(2) A person who is a distributor shall, in addition to keeping records of

particulars of the matters specified in Part I of the Schedule, keep records of his gross percentage margin.

(3) The records referred to in article 6 shall be maintained by a person in respect of the whole of the period commencing on 29th April 1973.

Provisions supplemental to articles 3, 5 *and* 6

8.—(1) A return under article 3 or under article 5 or a record under article 6 shall not contain—

(*a*) in the case of a person referred to in paragraph (*a*) or (*c*) to (*f*) of article 3 or of article 6 or in article 5(1)(*a*), particulars relating to any goods or services in respect of which no notice of an intended increased price or charge is, by virtue of Schedule 2 to the notification order, required to be given to the Commission or relating to the provision of accommodation in aircraft; or

(*b*) in the case of a person referred to in paragraph (*b*) of article 3 or of article 6 or in article 5(1)(*b*), particulars relating to any goods or services in respect of which no notice of an intended increased price or charge is, by virtue of paragraphs 1, 2, 4 or 7 to 16 of Schedule 2 to the notification order, required to be given to the Commission;

(*c*) in the case of any person, any particulars (other than those referred to in paragraph 1(1) of Part I of the Schedule) which have been contained in a previous return under this Order, a notification of an intended increased price or charge under the notification order, a proposal under an order under paragraph 1 of Schedule 2 to the Act or any particulars which have been furnished to the Commission pursuant to a notice under section 15(1) of the Act.

(2) A return shall indicate which amounts (if any) contained in it are estimated amounts and a corrected amount shall be contained in the first return required to be made after corrected accounts are prepared or, where no such return is required to be made, shall be furnished in a special return within 21 days after those accounts are prepared.

Geoffrey Howe,
Minister for Trade and Consumer Affairs,
Department of Trade and Industry.

18th April 1973.

THE SCHEDULE (Article 4(4))

PART I

RETURNS AND RECORDS

Person required to furnish the return or to keep the record

1.—(1) The name of the person required to furnish the return or to keep the record, his address or, in the case of a body corporate, its registered or principal office in the United Kingdom, and the address for service of notices by the Commission, if different.

(2) In the case of a company which is controlled by any person, his name and the names of all other companies controlled by him and carrying on business in the United Kingdom.

(3) In the case of a company, any change in its structure or in the identity of any company controlled by the same person (including any such change since the period to which the reference level relates).

(4) Where the return or record relates to a sub-division of an enterprise, the title and address of the sub-division.

Gross percentage margin

2. The gross percentage margin as a distributor in relation to all goods and services sold or performed by the person required to furnish the return or to keep the record and the total value of sales to which it relates.

Profits, sales and costs

(Paragraphs 3, 4, 6 and 7 do not apply to distributors.)

3. The activity or activities to which the return or record relates and the goods or services to which each activity relates.

4. The total value of sales (including charges for the performance of services).

5. Particulars of the net profit margin corresponding to the appropriate reference level referred to in article 5(2)(*a*)(i) and the manner in which it is calculated.

6. Particulars of any variation in any price or charge ascertained (in the case of an increase, in accordance with the provisions of article 3 of the notification order) specifying the goods or services to which the varied price or charge relates.

7. Particulars of any variation in costs which, in accordance with the provisions of the code, justify the variation in a price or charge specified pursuant to paragraph 6 above.

Special provisions relating to banks, finance houses or similar enterprises

8.—(1) In relation to hire purchase, conditional sale and the leasing of plant, machinery or equipment, the net income therefrom (less associated costs, including overheads) and the average resources employed therein.

(2) In relation to every other activity, the gross and not income there from calculated in accordance with the code.
(including associated overheads).

Special provisions relating to providers of construction services

9. In relation to each contract for construction services whenever made—

(*a*) under which the charge exceeds or is likely to exceed £5,000,000 and work under the contract was not completed before 29th April 1973; and

(*b*) which makes provision either for the charge to be varied in accordance with any formula specified in or referred to in the same contract which provides for

the charge to be varied because of changes in costs, or for the charge for services performed at any time to be greater than, or to be charged at a higher rate than, the charge for services of the same description performed at any other time;

particulars of—

(i) the services to be performed under the contract;

(ii) the charge referred to sub-paragraph (*a*) above;

(iii) the provisions referred to in sub-paragraph (*b*) above;

(iv) the total amount received pursuant to each such provision.

PART II

DECLARATION

I, [name of person making the return and the capacity in which he makes it] of [address] on behalf of [myself *or* name of person required to make the return if different] pursuant to Article 3 of the Counter-Inflation (Prices and Charges) (Information) Order 1973, make this return to the Price Commission in respect of the period beginning on [date] and ending on [date] and declare that, to the best of my knowledge, information and belief, the particulars specified herein are correct and complete.

Signed: [signature of person making the return]

Date: [date of signature]

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

This Order makes provision for the furnishing to the Price Commission of returns of information relating to the prices, charges, sales and profit margins of medium and large business enterprises. It also makes provision for the keeping of records of such information by all save small enterprises.

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