STATUTORY INSTRUMENTS

1973 No. 660

COUNTER-INFLATION

The Counter-Inflation (Validity of Transactions) Order 1973

Made - - -	1*st April* 1973
Coming into Operation	1*st April* 1973

The Treasury, in exercise of the powers conferred on them by paragraph 3 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:—

Citation and commencement

1. This Order may be cited as the Counter-Inflation (Validity of Transactions) Order 1973, and shall come into operation on 1st April 1973.

Interpretation

2.—(1) In this Order "the Act" means the Counter-Inflation Act 1973.

(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.

Validity of transactions relating to goods, services and insurance premiums

3.—(1) A transaction shall not be invalid because it involves—

(*a*) a price or charge which has been increased in contravention of an order made under section 5 of, or paragraph 1 of Schedule 2 to, the Act and having the effect of restricting that price or charge; or

(*b*) a price or charge in excess of a price or charge restricted by an order or notice under section 6 of the Act; or

(*c*) an insurance premium in excess of a premium restricted by an order or notice under section 9 of the Act;

but the person paying the price, charge or premium shall be entitled to recover the excess over the restriction unless he is himself liable to punishment by reason of his having aided, abetted, counselled or procured the contravention of the order or notice by the other party to the transaction.

(2) This Article shall apply during a period when Part II of the Act is in force and later.

Validity of contracts to pay remuneration

4.—(1) The effect of—

(*a*) an order made under section 5 of, or paragraph 1 of Schedule 2 to, the Act and having the effect of restricting remuneration; or

(**a**) 1973 c. 9. (**b**) 1889 c. 63.

(*b*) an order or notice under section 7 of the Act,

shall not be to make wholly invalid contracts providing for remuneration in excess of the remuneration permitted, but shall, as regards remuneration for a period when Part II of the Act is in force, be such that any contract to pay such remuneration is invalidated so far as it relates to the excess (and accordingly does not revive or become enforceable as regards the excess on the expiration of Part II or otherwise).

(2) To the extent that a contract to pay remuneration in excess of the remuneration permitted by an order or notice under section 7 of the Act remains invalid after the date when that section ceases to be in force, the provisions of sections 17 and 18 of the Act shall continue to apply to the implementation of that contract as if section 7 was still in force.

(3) An employer shall not under any circumstances be entitled, in consequence of the provisions of this Article, to recover any remuneration which he has paid.

Validity of declarations of dividends

5. The declaration of a dividend contrary to an order or notice under section 10 of the Act shall not be invalidated except to the extent to which it contravenes the order or notice.

1st April 1973.

Tim Fortescue,

V. H. Goodhew,

Two of the Lords Commissioners of Her Majesty's Treasury.

EXPLANATORY NOTE

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

This Order prescribes the degree to which transactions made illegal or otherwise affected by certain orders or notices made or given under Part II of the Counter-Inflation Act 1973 are to be valid or invalid. The orders or notices are those relating to prices for the sale of goods and charges for the performance of services, insurance premiums, remuneration and dividends.

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