STATUTORY INSTRUMENTS

1977 No. 1225

COUNTER-INFLATION

The Counter-Inflation (Validity of Transactions) Order 1977

Made - - - -	*26th July* 1977
Coming into Operation	*1st August* 1977

The Secretary of State in exercise of the powers conferred on him by section 23(2) of, and by paragraph 3 of Schedule 3 to, the Counter-Inflation Act 1973(**a**) as amended(**b**) and having effect with the additions and amendments made by the Prices and Charges (Adaptation of the Counter-Inflation Act 1973) Regulations 1977(**c**) and of all other powers enabling him in that behalf, hereby makes the following Order:—

Citation, commencement, interpretation and revocation

1.—(1) This Order may be cited as the Counter-Inflation (Validity of Transactions) Order 1977 and shall come into operation on 1st August 1977.

(2) In this Order—

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

"the 1977 Act" means the Price Commission Act 1977(**d**).

(3) The Interpretation Act 1889(**e**) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament and as if this Order and the Order hereby revoked were Acts of Parliament.

(4) The Counter-Inflation (Validity of Transactions) Order 1973(**f**) is hereby revoked.

Validity of transactions relating to goods, services and insurance premiums

2.—(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 1973 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 that Act; or

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

(**a**) 1973 c. 9. (**b**) See S.I. 1974/1218 (1974 II, p. 4631) and 1977 c. 33.
(**c**) S.I. 1977/1220 (1977 II, p. 3385). (**d**) 1977 c. 33.
(**e**) 1889 c. 63. (**f**) S.I. 1973/660 (1973 I, p. 2139).

(*d*) a price or charge which has been increased—

(i) in contravention of section 4(2)(*b*) or section 5(3)(*a*) of the 1977 Act, or

(ii) in contravention of subsection (1) of section 7 of that Act, an order under subsection (5)(*a*) of the said section 7 or of a notice under subsection (1) of section 13 of that Act if contravention of that notice is an offence under subsection (4) of that section.

(2) The person paying a price, charge or premium referred to in paragraph (1) above shall be entitled to recover the excess over the restriction—

(*a*) 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; or

(*b*) in the case of—

(i) a price or charge falling within head (*d*)(i) of that paragraph, unless the excess is permitted by a variation notice under section 4(5) of the 1977 Act or under that section as applied by section 5(4) of that Act, and

(ii) a price or charge falling within head (*d*)(ii) of that paragraph, unless the excess is permitted under section 9 of the 1977 Act.

Validity of declaration of dividends

3. The declaration of a dividend contrary to an order or notice under section 10 of the 1973 Act shall not be invalidated except to the extent to which it contravenes the order or notice.

Roy Hattersley,
Secretary of State for
Prices and Consumer Protection.

26th July 1977.

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 the Counter-Inflation Act 1973 and the Price Commission Act 1977 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 and dividends.

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