CHAPTER 14

Export Guarantees Act, 1949

ARRANGEMENT OF SECTIONS

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An Act to make further provision with respect to the powers of the Board of Trade to give guarantees in connection with overseas transactions; and for purposes connected with the matters aforesaid.

[9th March 1949.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Export guarantees.

1.—(1) For the purpose of encouraging trade with places outside the United Kingdom, the Board of Trade after consultation with the Advisory Council may with the consent of the Treasury make arrangements for giving guarantees to, or for the benefit of, persons carrying on business in the United Kingdom, being guarantees in connection with the export, manufacture, treatment or distribution of goods, the rendering of services, or any other matter which appears to the Board of Trade conducive to the said purpose.

(2) In this section the expression "trade with places outside the United Kingdom" includes any transaction involving a consideration in money or money's worth accruing from a person carrying on business or other activities outside the United Kingdom to a person carrying on business in the United Kingdom.

(3) The Export Guarantees Advisory Council constituted for the purposes of the Export Guarantees Act, 1939, shall be continued by the Board of Trade for the purposes of this Act, and in subsection (1) of this section the expression "Advisory Council" means the said Council.

(4) The aggregate amount of the liability at any time of the Board of Trade in respect of guarantees given under this section and under the repealed enactments, excluding guarantees given under the Overseas Trade Guarantees Act, 1939, or under section four of the Export Guarantees Act, 1939, shall not exceed the sum of five hundred million pounds.

Further power to give guarantees in national interest.

2.—(1) For the purpose specified in subsection (1) of the foregoing section, or for the purpose of rendering economic assistance to countries outside the United Kingdom, the Board of Trade may with the consent of the Treasury make arrangements for giving such guarantees to, or for the benefit of, persons carrying on business in the United Kingdom as appear to the Board to be expedient in the national interest.

(2) The aggregate amount of the liability at any time of the Board of Trade in respect of guarantees given under this section, under the Overseas Trade Guarantees Act, 1939, and under section four of the Export Guarantees Act, 1939, shall not exceed the sum of one hundred million pounds.

Power of Board of Trade to acquire securities guaranteed by the Board.

3.—(1) The Board of Trade may, with the consent of the Treasury, acquire any securities which the Board have guaranteed in the exercise of their powers under this Act, or, before the passing of this Act, in the exercise of their powers under the Export Guarantees Acts, 1939 to 1948, or the Overseas Trade Guarantees Act, 1939, and may, with such consent as aforesaid,—

(*a*) hold any such security so acquired for such period as they think fit and collect any sums falling due, whether by way of principal or of interest, in respect thereof; and

(*b*) dispose of any such security so acquired at such time and in such manner as they think fit.

(2) The Treasury may from time to time issue to the Board of Trade out of the Consolidated Fund, on such terms and conditions with respect to repayment and payment of interest and otherwise as the Treasury may think fit, such sums as may be required to enable the Board to acquire securities under subsection (1) of this section, and for the purpose of providing for the issue of such sums, or any part of such sums, or for the replacement of all, or any part, of sums so issued, the Treasury may from time to time raise money in any manner in which they are authorised to raise money under the National Loans Act, 1939, and any securities created and issued to raise money under this subsection shall be deemed for all purposes to have been created and issued under that Act.

(3) The Acquisition of Guaranteed Securities Fund (hereafter in this section referred to as "the Fund") established under section four of the Overseas Trade Guarantees Act, 1939, shall

be continued under the control and management of the Board of Trade for the purposes of this section.

(4) The Board of Trade shall pay into the Fund—

(*a*) all sums issued to them out of the Consolidated Fund under subsection (2) of this section; and

(*b*) all sums received by them in respect of securities acquired under subsection (1) of this section.

(5) The Board of Trade shall out of the Fund—

(*a*) pay any sums required for the acquisition of securities under subsection (1) of this section;

(*b*) repay into the Exchequer any sums issued to them out of the Consolidated Fund under subsection (2) of this section, and pay into the Exchequer interest on those sums; and

(*c*) pay into the Exchequer, at such times and in such manner as the Treasury may direct, any amount by which the sums received by the Board in respect of securities acquired under subsection (1) of this section exceed the sums required to make repayments and payments under paragraph (*b*) of this subsection.

(6) Of any sums received into the Exchequer under the last foregoing subsection or under subsection (4) of section four of the Overseas Trade Guarantees Act, 1939—

(*a*) so much as represents interest on issues out of the Consolidated Fund under subsection (2) of this section shall be issued out of the Consolidated Fund and applied in payment of an equivalent amount of interest which would, but for this provision, have been paid out of the permanent annual charge for the National Debt;

(*b*) so much as represents repayment of such issues shall be issued out of the Consolidated Fund and applied in redeeming or paying off debt of such description as the Treasury think fit; and

(*c*) the remainder may, if the Treasury think fit, be issued out of the Consolidated Fund and applied as mentioned in the last foregoing paragraph.

(7) The Board of Trade shall prepare, in such form and manner as the Treasury may direct, an account of the sums received into and paid out of the Fund in each financial year, and shall, on or before the thirtieth day of November in each year, transmit the said account to the Comptroller and Auditor-General who shall examine and certify the account and lay copies thereof together with his report thereon before both Houses of Parliament.

(8) In this section the expression "securities" includes bonds, stock, shares, bills and promissory notes; and references in this section to the acquisition of securities under subsection (1) thereof and to securities so acquired shall, except where the context otherwise requires, be construed as including references to the acquisition of securities under section three of the Overseas Trade Guarantees Act, 1939, and to securities acquired under that section.

General expenses and receipts.

4.—(1) Save as expressly provided by the last foregoing section, all expenses incurred by the Board of Trade under this Act or the repealed enactments shall be defrayed out of moneys provided by Parliament, but in the event of any amount required for fulfilling any guarantee given under any of the said enactments not being paid out of such moneys, it shall be charged on and issued out of the Consolidated Fund.

(2) Save as aforesaid, all sums received by the Board of Trade in connection with any guarantee given under any of the said enactments or in connection with any credit granted under any of the enactments repealed by the Export Guarantees Act, 1937, shall be paid into the Exchequer.

Returns.

5. The Board of Trade shall publish quarterly—

(*a*) a return showing, in the case of the first return under this paragraph, the aggregate amount of the guarantees given under section one of this Act, section one of the Export Guarantees Act, 1939, and section two of the Export Guarantees Act, 1945, since the date of the last return published under section three of the said Act of 1939, and, in the case of a subsequent return under this paragraph, the aggregate amount of the guarantees given under section one of this Act since the date of the last previous return under this paragraph;

(*b*) a return showing, in the case of the first return under this paragraph, the aggregate amount of the guarantees given under section two of this Act and under the Overseas Trade Guarantees Act, 1939, since the date of the last return published under section two of that Act, and, in the case of a subsequent return under this paragraph, the aggregate amount of the guarantees given under section two of this Act since the date of the last previous return under this paragraph.

Exercise of powers of Board by Export Credits Guarantee Department.

6. The Export Credits Guarantee Department shall be a separate Department of the Board of Trade under the Secretary for Overseas Trade, and all powers and duties of the Board exercisable under this Act, or exercisable after the passing of this Act in relation to things done under the repealed enactments, shall, subject to the directions of the Board, be exercised and performed through the Secretary for Overseas Trade.

Supplementary provisions as to guarantees.

7.—(1) A guarantee given under this Act may be given on such terms and conditions as to the consideration for the giving of the guarantee and otherwise as may be determined in accordance with the arrangements made for giving that guarantee.

(2) References in sections one and two of this Act to the liability of the Board of Trade in respect of a guarantee shall be construed exclusively of any liability in respect of interest on any principal moneys the payment of which is the subject of the guarantee.

Repeals.

8.—The Export Guarantees Acts, 1939 to 1948, and the Overseas Trade Guarantees Act, 1939, are hereby repealed.

Short title and interpretation.

9.—(1) This Act may be cited as the Export Guarantees Act, 1949.

(2) In this Act the following expressions have the meanings hereby assigned to them respectively, that is to say :—

"business" includes a profession ;

"Consolidated Fund" means the Consolidated Fund of the United Kingdom, and includes the growing produce thereof ;

"guarantee" includes any contract to indemnify, whether wholly or in part, against loss of any description ;

"repealed enactments" means the enactments specified in the last foregoing section, any enactment repealed by any of those enactments, and any enactment repealed by an enactment so repealed.

TABLE OF STATUTES REFERRED TO IN THIS ACT.

Short Title.	Session and Chapter.
Export Guarantees Act, 1937	1 Edw. 8 & 1 Geo. 6. c. 61.
Export Guarantees Act, 1939	2 & 3 Geo. 6. c. 5.
Overseas Trade Guarantees Act, 1939 ...	2 & 3 Geo. 6. c. 47.
National Loans Act, 1939	2 & 3 Geo. 6. c. 117.
Export Guarantees Act, 1945	8 & 9 Geo. 6. c. 9.