

Export Guarantees Act 1968

1968 CHAPTER 26

An Act to consolidate the Export Guarantees Acts 1949 to 1967 as amended by the National Loans Act 1968.
[30th May 1968]

BE IT ENACTED by the Queen'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 other countries, the Board of Trade, after consultation with the Export Guarantees Advisory Council, 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, the Isle of Man or the Channel Islands as are mentioned in subsection (2) of this section.

(2) The guarantees for which arrangements may be made under this section are 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 purpose of encouraging trade with other countries.

(3) In this section " trade with other countries " 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, the Isle of Man and the Channel Islands to a person carrying on business in the United Kingdom, the Isle of Man or the Channel Islands.

(4) The Export Guarantees Advisory Council, that is to say, the Council constituted for the purposes of the Export Guarantees Act 1939 and continued for the purposes of the enactments repealed by this Act, shall be further continued by the Board of Trade for the purposes of this Act. 1939 c. 5.

Further power to give guarantees, etc. in national interest.

2.—(1) For either of the purposes mentioned in subsection (2) of this section 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, the Isle of Man or the Channel Islands as appear to the Board to be expedient in the national interest.

(2) The purposes for which arrangements may be made under this section are—

(*a*) the purpose mentioned in section 1(1) of this Act; and

(*b*) the purpose of rendering economic assistance to countries outside the United Kingdom, the Isle of Man and the Channel Islands;

and the arrangements which may be made under this section for the purpose mentioned in paragraph (*b*) of this subsection include arrangements for facilitating the payment of sums payable under contracts with persons carrying on business in the United Kingdom, the Isle of Man or the Channel Islands.

Power of Board of Trade to acquire securities.

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 which have been created in pursuance of such arrangements as are mentioned in section 2(2) of this Act, and may, with that consent—

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

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

(2) The Acquisition of Guaranteed Securities Fund (in this section referred to as "the Fund"), that is to say, the Fund established under section 4 of the Overseas Trade Guarantees Act 1939 and continued under the Export Guarantees Act 1949, shall be further continued under the control and management of the Board of Trade for the purposes of this section.

1939 c. 47.
1949 c. 14.

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

(*a*) such sums as are required to enable the Board to acquire securities under subsection (1) of this section; and

(*b*) all sums received by them in respect of securities so acquired;

and payments under paragraph (*a*) of this subsection shall be made on such terms and conditions as to repayment, payment of interest, and otherwise as the Treasury may direct.

(4) 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 Consolidated Fund any payments made under subsection (3)(*a*) of this section, with interest thereon; and

(*c*) pay into the Consolidated Fund, 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.

(5) 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 30th November in each year, transmit that 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.

(6) In this section " securities " includes bonds, stock, shares, bills and promissory notes.

Limit on commitments under this Act.

4.—(1) The aggregate of the liabilities at any time of the Board of Trade and of the sums paid by them for securities acquired and for the time being held by them in pursuance of this Act shall not exceed the following sums, that is to say,—

(*a*) so far as the liabilities were incurred and the securities guaranteed in pursuance of arrangements made under section 1 of this Act, the sum of £2,400 million;

(*b*) so far as the liabilities were incurred and the securities guaranteed or created in pursuance of arrangements made under section 2 of this Act, the sum of £1,500 million.

(2) References in this section to the liabilities of the Board of Trade do not include any liability in respect of interest on any principal moneys the payment of which is the subject of any guarantee given in pursuance of this Act.

Controlled companies.

5. Where a company is directly or indirectly controlled by any person (whether a company or not), then, for the purposes of this Act—

(*a*) any contract entered into by the Board with that person shall, in so far as it provides for the Board of Trade to make payments to him in respect of any loss of that

company, or in respect of any deficit on an account relating both to activities of that company and to activities of his, be deemed a contract to indemnify him against loss, and a guarantee within the meaning of this Act;

(*b*) any guarantee given by the Board to or for the benefit of that company shall be deemed to be given for the benefit also of that person; and

(*c*) any arrangements made by the Board for facilitating the payment of sums payable under a contract with that company shall be deemed to be arrangements for facilitating the payment of sums payable under a contract with that person.

Supplementary provisions as to guarantees.

6. 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.

Exercise of powers of Board through Export Credits Guarantee Department.

7. All powers and duties of the Board of Trade under this Act shall be exercised and performed through the Export Credits Guarantee Department, which shall be a separate Department of the Board of Trade under the President of the Board.

Returns.

8. The Board of Trade shall publish quarterly—

(*a*) a return showing the aggregate amount of the guarantees given under section 1 of this Act since the date of the last previous return under this paragraph;

(*b*) a return showing the aggregate amount of the guarantees given under section 2 of this Act since the date of the last previous return under this paragraph, and of the amounts paid by the Board of Trade since that date for securities created in pursuance of such arrangements as are mentioned in subsection (2) of that section.

General expenses and receipts.

9.—(1) Except as otherwise provided by section 3 of this Act or subsection (2) of this section—

(*a*) all expenses incurred by the Board of Trade under this Act shall be defrayed out of moneys provided by Parliament;

(*b*) all sums received by the Board of Trade in connection with any guarantee given under this Act shall be paid into the Consolidated Fund.

(2) If any amount required for fulfilling any guarantee given under this Act is not paid out of moneys provided by Parliament it shall be charged on and issued out of the Consolidated Fund.

Interpretation.

10.—(1) In this Act—

" business " includes a profession;

" guarantee " includes any contract to indemnify, whether wholly or in part, against loss of any description and shall be construed in accordance with section 5(*a*) of this Act.

(2) Any reference in this Act to any provision of this Act shall, except where the context otherwise requires, be construed as including a reference to any corresponding provision of the enactments repealed by this Act or of any enactment previously in force.

Short title and repeals.

11.—(1) This Act may be cited as the Export Guarantees Act 1968.

(2) The following are hereby repealed—

the Export Guarantees Act 1949	1949 c. 14.
the Export Guarantees Act 1951	1951 c. 17.
the Export Guarantees Act 1957	1957 c. 23.
the Export Guarantees Act 1964	1964 c. 6.
the Export Guarantees Act 1967	1967 c. 11.
in section 10 of the National Loans Act 1968, subsections (4)(*a*) and (5).	1968 c. 13.