(xiii) VESTING OF ASSETS

The Gas (Vesting of Assets) Regulations, 1949

1949 No. 815

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The Minister of Fuel and Power (in these regulations referred to as "the Minister"), in exercise of the powers conferred upon him by sections seventeen, eighteen, twenty-two, thirty and thirty-one of the Gas Act, 1948,(a) (in these regulations referred to as "the Act"), and of all other powers him enabling, hereby makes the following regulations:—

PART I

Property, agreements, etc., of undertakers to whom section 18 applies

Undertakers to furnish certain particulars, including proposals as to vesting, etc.

1.—(1) Every undertaker to whom section eighteen of the Act (in these regulations referred to as "section eighteen") applies shall, as soon as practicable, and in any event not later than the thirty-first day of May, nineteen hundred and forty-nine, deliver to the appropriate Board particulars identifying all such real property (or, in Scotland, heritable property) as is held or used by him partly for the purposes of his gas undertaking and partly for other purposes, or partly in his capacity as a gas undertaker and partly in any other capacity, and specifying which (if any) of that property—

(*a*) is not held or used mainly for the purposes of his gas undertaking or mainly in his capacity as a gas undertaker; or

(*b*) being held or used mainly for those purposes or mainly in that capacity, ought not in his opinion to vest by virtue of the Act in the appropriate Board.

(a) 11 & 12 Geo. 6. c. 67.

(2) Every such undertaker shall, not later than the date aforesaid, deliver to the appropriate Board particulars identifying each agreement in operation immediately before the vesting date (not being an agreement for the rendering of personal services to the undertaker or for the acquisition or use of real or heritable property) into which he has entered partly for the purpose of his gas undertaking and partly for other purposes, or partly in his capacity as a gas undertaker and partly in any other capacity, and specifying which (if any) of those agreements—

(*a*) were not made mainly for the purposes of his gas undertaking or mainly in his capacity as a gas undertaker;

(*b*) being agreements made mainly for those purposes or mainly in that capacity, ought in his opinion to be excluded from the agreements which have effect in accordance with subsection (3) of section seventeen of the Act; or

(*c*) are such that separate agreements in the requisite terms should in his opinion be substituted therefor.

Determination as to vesting of certain property.

2.—(1) All real or heritable property of which particulars are delivered in pursuance of paragraph (1) of the last foregoing regulation, other than property specified under sub-paragraph (*a*) or (*b*) of that paragraph, and all rights, liabilities and obligations acquired or incurred by the undertaker by reason of the first mentioned property being vested in him, shall vest in the appropriate Board by virtue of the Act.

(2) No real or heritable property specified under sub-paragraph (*a*) or (*b*) of the said paragraph (1) in any such particulars as aforesaid shall vest in the appropriate Board by virtue of the Act unless—

(*a*) it is agreed, or

(*b*) a notice under subsection (3) of section eighteen (in these regulations referred to as a "notice of question") has been served, and it has been determined,

that that property ought so to vest.

(3) In the case of any property held or used by an undertaker to whom section eighteen of the Act applies partly for the purposes of his gas undertaking and partly for other purposes, or partly in his capacity as a gas undertaker and partly in any other capacity, not being—

(*a*) real or heritable property,

(*b*) property to which paragraph (7) of this regulation applies, or

(*c*) property so held or used under an agreement for which it is determined that separate agreements in the requisite terms ought to be substituted,

a notice may, not later than the fifteenth day of July, nineteen hundred and forty-nine, be served by the appropriate Board or the undertaker on the other of them, claiming—

(i) if the property was immediately before the vesting date held or used mainly for the purposes of the said gas undertaking or mainly in the undertaker's capacity as a gas undertaker, that that property ought to be excluded from the property which vests in that Board by virtue of the Act; or

(ii) in any other case, that that property ought to be included in the property which so vests.

(4) If any notice is served in pursuance of the last foregoing paragraph, the property to which the notice relates, and all rights, liabilities and obligations acquired or incurred by the undertaker by reason of that property being vested in him, shall, unless the person on whom it was served serves a notice of question before the thirty-first day of July, in the year aforesaid,—

(*a*) if the notice was served under sub-paragraph (i) of the said paragraph, be excluded from the property, rights, liabilities and obligations which vest in that Board by virtue of the Act;

(*b*) in any other case, be included therein.

(5) Particulars delivered under paragraph (1) of regulation one, or a notice served under this regulation, may include a proposal (which shall then be deemed to be a notice under paragraph (2) of the next following regulation) that the terms for exclusion from, or inclusion in, the property which vests in the appropriate Board by virtue of the Act of any property specified in the proposal shall include provision that interests in that property, or rights over or attaching to that property or in respect of the user thereof, be granted—

(*a*) if that property is excluded from the property which so vests, by the undertaker to the Board; or

(*b*) if it is included in the said property, by the Board to the undertaker.

(6) Any question arising as to—

(*a*) whether any property was immediately before the vesting date held or used by an undertaker to whom section eighteen applies wholly or mainly for the purposes of his gas undertaking or wholly or mainly in his capacity as a gas undertaker,

(*b*) whether any property held or used by any such undertaker partly for the purposes of his gas undertaking and partly for other purposes, or partly in his capacity as a gas undertaker and partly in any other capacity, ought to be excluded from or included in the property which vests in the appropriate Board by virtue of the Act, or

(*c*) the terms on which any property referred to in sub-paragraph (*b*) shall be so excluded or included,

shall be determined under regulation nineteen; and where it is so determined that any property shall be so excluded or included, that property, and all rights, liabilities and obligations acquired or incurred by that undertaker by reason of that property being vested in him, shall not vest or shall vest, as the case may be, in the appropriate Board.

(7) Any sum paid before the vesting date to an undertaker to whom section eighteen applies, being the whole or a part of a post-war refund (within the meaning of Part IV of the Finance (No. 2) Act, 1945,(a)) in respect of profits earned by that undertaker partly in his capacity as a gas undertaker and partly in any other capacity, shall, if it has not been used or appropriated for use before the said date for the purposes of that undertaker's gas undertaking, be apportioned; and that part only shall vest in the appropriate Board which is attributable to the excess profits tax paid by the undertaker in respect of

(a) 9 & 10 Geo. 6. c. 13.

profits earned by him in his capacity as a gas undertaker, subject to such reduction (if any) as may be just having regard to the provisions of section forty-six of the Finance (No. 2) Act, 1945.

(8) Any question arising as to the apportionment of any sum in pursuance of the last foregoing paragraph shall be determined under regulation nineteen.

Interests in, and rights over or attaching to certain property.

3.—(1) This regulation shall apply to any property held or used by an undertaker to whom section eighteen applies partly for the purposes of his gas undertaking and partly for other purposes, or partly in his capacity as a gas undertaker and partly in any other capacity, other than property so held or used under an agreement for which it is determined that separate agreements in the requisite terms shall be substituted.

(2) In the case of property to which this regulation applies, a notice may, not later than the fifteenth day of July, nineteen hundred and forty-nine, be served—

(*a*) if that property vests in the appropriate Board by virtue of the Act, or it is claimed under the foregoing regulations that it ought so to vest, by the undertaker concerned on the appropriate Board, or

(*b*) in any other case, by the appropriate Board on that undertaker, requiring that the person on whom the notice is served shall, on terms specified in the notice, grant to the person by whom it is served such interests in that property, or rights over or attaching to that property or in respect of the user thereof, as may be so specified.

(3) If any notice is served in pursuance of the last foregoing paragraph, the person on whom it was served shall unless he agrees with the said requirement, serve a notice of question relating to that property before the thirty-first day of July in the year aforesaid.

(4) Any question arising as to—

(*a*) whether the interests or rights required by the undertaker or the Board, as the case may be, as aforesaid, or any of them, or any other such interests or rights as aforesaid, ought to be granted by that Board or that undertaker, as the case may be, or

(*b*) the terms on which any such interests or rights shall be granted,

shall be determined under regulation nineteen; and where, in pursuance of any agreement or determination, any interests in property to which this regulation applies, or rights over or attaching to any such property or in respect of the user thereof, ought to be granted by the appropriate Board or the undertaker concerned, as the case may be, to the other of them, that Board or that undertaker shall on the terms so agreed or determined grant the said interests or rights accordingly.

Agreements made partly for purposes of gas undertaking or partly in capacity as gas undertaker.

4.—(1) This regulation shall apply to any agreement to which any undertaker to whom section eighteen applies is party partly for the purposes of his gas undertaking and partly for other purposes, or partly in his capacity as a gas undertaker and partly in any other capacity:

Provided that nothing in this regulation shall affect—

(*a*) any agreement as to which nothing is outstanding at the vesting date except a liability for the payment of money; or

(*b*) anything to which the provisions of section nineteen of the Act are applicable.

(2) Every agreement to which this regulation applies of which particulars are delivered in pursuance of paragraph (2) of regulation one, other than agreements specified therein under sub-paragraph (*a*), (*b*) or (*c*) of that paragraph, shall have effect in accordance with subsection (3) of section seventeen of the Act.

(3) No agreement specified under sub-paragraph (*a*) or (*b*) of the said paragraph (2) in any such particulars as aforesaid shall have effect in accordance with the said subsection unless the appropriate Board serve counter proposals, not later than the thirty-first day of July, nineteen hundred and forty-nine, objecting to the exclusion of the agreement in question from the agreements which so have effect.

(4) In the case of any agreement to which this regulation applies, other than an agreement to which paragraph (2) or (3) applies, a notice may, not later than the fifteenth day of July in the year aforesaid, be served by the appropriate Board or the undertaker on the other of them, claiming—

(*a*) if the agreement was made by the undertaker concerned mainly for the purposes of his gas undertaking, or mainly in his capacity as a gas undertaker, that that agreement ought to be excluded from the agreements which have effect as aforesaid ; or

(*b*) in any other case, that that agreement ought to be included in the said agreements:

Provided that no such notice shall be served with respect to any agreement—

(*a*) for the rendering of personal services to the undertaker, unless the person rendering the said services agrees to the claim set out in the notice ; or

(*b*) for the acquisition or use by the undertaker of any real or heritable property, unless a notice of question has been served with respect to that property.

(5) If any notice is served in pursuance of the last foregoing paragraph, the person on whom it is served may, not later than the thirty-first day of July in the year aforesaid, serve a counter notice on the person by whom it was served objecting to the exclusion or inclusion claimed, or proposing terms or conditions therefor.

(6) Any counter notice or counter proposals served under paragraph (3) or (5) may require that separate agreements in the requisite terms be substituted for the agreement in question, and shall for that purpose be deemed to be a notice under paragraph (8).

(7) The terms of the exclusion or inclusion of any agreement as aforesaid may respectively include provision that the undertaker or the Board shall make available to the Board or the undertaker, as the case may be, benefits corresponding to the benefits conferred on him or them by the agreement.

(8) If, in the case of any agreement to which this regulation applies (other than an agreement for the rendering to the undertaker of personal services, or an agreement included in the agreements which have effect in accordance with subsection (3) of section seventeen of the Act),—

(*a*) the agreement provides for the acquisition or use by the undertaker concerned of any property part only of which vests in the Board by virtue of the Act,

(*b*) the agreement has been specified under sub-paragraph (*c*) of paragraph (2) of regulation one in particulars delivered under that paragraph, or a notice is served, not later than the fifteenth day of July aforesaid, by the appropriate Board or the undertaker on the other of them requiring the substitution for that agreement of separate agreements, and no counter notice objecting thereto is served by the undertaker or the Board, as the case may be, before the thirty-first day of July aforesaid, or

(*c*) a counter notice is duly served as mentioned in sub-paragraph (*b*), and it is determined that separate agreements ought to be so substituted,

separate agreements in the requisite terms shall be substituted as provided in the next following regulation.

(9) Any question arising in relation to any agreement to which this regulation applies as to—

(*a*) whether the agreement was made by the undertaker concerned mainly for the purposes of his gas undertaking or mainly in his capacity as a gas undertaker,

(*b*) whether the agreement ought to be excluded from or included in the agreements which have effect in accordance with subsection (3) of section seventeen of the Act, or whether any rights, liabilities or obligations thereunder ought to be excluded from or included in the rights, liabilities and obligations which vest in the appropriate Board by virtue of the Act,

(*c*) the terms on which the agreement, or any rights, liabilities or obligations thereunder, shall be excluded or included as mentioned in sub-paragraph (*b*),

(*d*) whether separate agreements ought to be substituted in pursuance of paragraph (8),

shall be determined under regulation nineteen.

(10) If, in the case of any agreement to which this regulation applies—

(*a*) a notice has been served in pursuance of paragraph (4) and no counter notice has been served in pursuance of paragraph (5), or

(*b*) it is determined that the agreement ought to be excluded from or included in the agreements which have effect in accordance with subsection (3) of section seventeen of the Act,

that agreement shall be excluded or included as claimed by the notice or so determined; and all rights, liabilities and obligations thereunder acquired or incurred by the undertaker shall be excluded from or included in the rights, liabilities and obligations which vest in the appropriate Board by virtue of the Act, as the case may be, accordingly.

Substitution of separate agreements.

5.—(1) In any case to which paragraph (8) of the last foregoing regulation applies, the terms of the separate agreements shall, subject to the provisions of this regulation, provide respectively—

(*a*) for securing for the appropriate Board the benefits secured under the agreement for the gas undertaking, and for imposing on that Board the liabilities and obligations imposed by the agreement on the undertaker so far as properly attributable to those benefits; and

(*b*) for securing for the undertaker all such benefits and imposing on him all such liabilities under the agreement as are not in pursuance of sub-paragraph (*a*) secured for or imposed on the Board.

(2) Any fixed periodical payment accruing under the original agreement at the date as at which separate agreements are substituted (in this and the next following regulation referred to as "the substitution") shall be deemed to have accrued from day to day and shall be apportioned to the parts of the relevant period respectively before and after the substitution.

(3) Any periodical payment under the original agreement, being a payment calculated on a quantitative basis and not being a payment made in advance, shall be calculated on the relevant basis up to the substitution and apportioned to the parts of the relevant period respectively before and after that time accordingly, so however that, if the said agreement provided also for a minimum periodical amount being paid in respect of that payment, and the amount thereof if accruing from day to day would at the substitution exceed the amount calculated on the relevant basis, the amount apportioned to the part before the substitution shall be the amount which would have so accrued.

(4) Any sum paid in advance in respect of a periodical payment under the original agreement for the relevant period shall be apportioned to the parts of that period respectively before and after the substitution; and any amount thereof apportioned to the part after the substitution which is attributable to benefits secured under the said agreement for the gas undertaking shall, if it was not before the substitution debited or credited, as the case may be, to that undertaking in the accounts of the undertaker, be deemed to have been paid by or to that undertaker, as the case may be, on behalf of the appropriate Board.

(5) Rights, liabilities and obligations acquired or incurred under the original agreement before the substitution shall vest at the substitution—

(*a*) if attributable to benefits secured under the said agreement for the gas undertaking, in the appropriate Board to the exclusion of the undertaker, or

(*b*) in any other case, in the undertaker to the exclusion of that Board.

(6) Any question arising as to—

(*a*) the terms to be included in any separate agreement,

(*b*) the application of the foregoing paragraphs of this regulation, or

(*c*) the giving by the appropriate Board or the undertaker to the other of them of any reasonable indemnity with respect to the original agreement,

shall be determined under regulation nineteen, so however that in any determination under sub-paragraph (*a*) or (*b*), every party to the original agreement shall be a party.

Severance of leases.

6.—(1) Every lease, being an agreement for which separate agreements are substituted in pursuance of paragraph (8) of regulation four, shall be severed; and the provisions of the last foregoing regulation and of this regulation shall apply in relation thereto.

(2) If the lease does not reserve separate rents for the several parts of the land, the rent reserved by the lease shall be apportioned to those parts of the land which respectively vest and do not vest in the appropriate Board.

(3) In the application of these regulations to Scotland, the provisions of the last foregoing paragraph shall be construed as if, for reference to rent reserved by the lease, there were substituted a reference to rent payable under, or stipulated for, the lease.

(4) As from the substitution, no liability (whether to the lessor or to any other person) shall attach in respect of any rent apportioned, or the breach of any covenant, term or condition in the lease relating, to land—

(*a*) which vests in the appropriate Board, to the undertaker or to his successors in title ; or

(*b*) which does not so vest, to that Board or to their successors in title.

(5) The undertaker shall be deemed to have given to the appropriate Board, if the property leased is situate—

(*a*) in England or Wales, an acknowledgement in writing of the right of that Board to production of the lease and of all relevant documents, and to delivery of copies thereof ; or

(*b*) in Scotland, an undertaking to produce the lease and all relevant documents to that Board (on a proper receipt and undertaking to redeliver) for the purpose of enabling the Board to maintain and defend their rights in respect of those parts of the land which vest in them.

Provisions concerning other rights, liabilities or obligations, and other questions.

7.—(1) Subject to the provisions of the next following paragraph and of regulation nine, the provisions of paragraphs (4), (5), (9) and (10) of regulation four shall, with the requisite modifications, apply in relation to any right, liability or obligation acquired or incurred by an undertaker to whom section eighteen applies partly for the purposes of his gas undertaking and partly for other purposes, or partly in his capacity as a gas undertaker and partly in any other capacity, otherwise than under an agreement to which that regulation applies, as they apply in relation to any such agreement, so however that, for any reference to having effect in accordance with subsection (3) of section seventeen of the Act, there shall be substituted a reference to vesting in the appropriate Board, and that any reference to the substitution of separate agreements shall be deleted.

(2) If any such undertaker has the right to receive a post-war refund, or any part of a post-war refund, as defined in paragraph (7) of regulation two, in respect of excess profits earned by him partly in his capacity as a gas undertaker and partly in any other capacity, there shall vest in the appropriate Board only the right to receive such amount thereof as is apportioned to that Board by determination under regulation nineteen, having regard to the profits earned by that undertaker in his capacity as a gas undertaker and to any other financial adjustments made between the Board and that undertaker.

(3) Any question arising as to—

(*a*) whether an agreement was made by an undertaker to whom section eighteen applies wholly or mainly for the purpose of his gas undertaking, or wholly or mainly in his capacity as a gas undertaker, not being a question for which provision is made in regulation four, or

(*b*) whether any document relates to the purposes of the gas undertaking of such an undertaker, or to such an undertaker in his capacity as a gas undertaker,

shall be determined under regulation nineteen.

Easements and rights over other land of an undertaker.

8.—(1) Where any land of an undertaker to whom section eighteen applies is vested in an Area Board, and any easement or other right over or attaching to other land of that undertaker is required to enable the first mentioned land to be used for the purposes of the Board, that Board may not later than the fifteenth day of July, nineteen hundred and forty-nine, serve notice on the undertaker specifying each such easement and right and requiring him to grant the same to them on terms specified in the notice.

(2) Any question arising as to—

(*a*) whether any easement or other right required by the Board, or any other such easement or right as aforesaid, is required to enable the said first mentioned land to be used for the purposes of the Board, or

(*b*) the terms on which any such easement or right shall be conferred,

shall be determined under regulation nineteen.

(3) If an Area Board serves a notice under paragraph (1) and no notice of question is served on or before the thirty-first day of July in the year aforesaid relating to the grant there specified, or if it is determined as aforesaid that any easement or other right over or attaching to other land of the undertaker concerned is required to enable land vested in an Area Board to be used for the purposes of that Board, that easement or right shall on the terms proposed or determined, as the case may be, take effect as such without further assurance.

Apportionment of liabilities, and consequential variation of mortgages, etc.

9.—(1) This regulation shall apply to any liability for the payment of money incurred by an undertaker to whom section eighteen applies partly for the purposes of his gas undertaking and partly for other purposes, or partly in his capacity as a gas undertaker and partly in any other capacity, not being a liability under any agreement as to which obligations other than the payment of money remain to be performed after the vesting date.

(2) In the case of any liability to which this regulation applies, the undertaker may, not later than the fifteenth day of July, nineteen hundred and forty-nine, serve notice on the appropriate Board claiming that that liability ought—

(*a*) to be apportioned to his gas undertaking and to his other undertakings in amounts specified in the notice; or

(*b*) to vest entirely in the appropriate Board, or remain vested in himself, on the basis of financial adjustments between the Board and himself proposed in the notice.

(3) Where by any notice under the foregoing paragraph a claim is made that a liability ought to vest entirely in the appropriate Board, or remain vested in the undertaker, and that liability is secured by a mortgage or other encumbrance on property of which part only will vest in the Board, or remain vested in the undertaker, as the case may be, the undertaker shall forthwith serve a copy of that notice upon the person who is creditor in respect of the said liability.

(4) If any notice is served under paragraph (2), the appropriate Board shall, not later than the thirty-first day of July in the year aforesaid, serve notice on the undertaker stating whether or not they agree to his claim, and, if they do not, setting out their proposals with respect to the said liability; if any claim has been made as mentioned in paragraph (3), or if they make any proposal to such effect as is specified in that paragraph, the Board shall forthwith serve a copy of their notice or proposal on the creditor aforesaid.

(5) Any question arising as to—

(*a*) whether any liability ought to be apportioned, or to vest entirely in the appropriate Board, or to remain vested in the undertaker,

(*b*) the amounts to be apportioned to the gas undertaking and to other undertakings of the undertaker, or

(*c*) any financial adjustments to be made between the Board and the undertaker,

shall be determined under regulation nineteen, so however that, if any such claim or proposal is made to such effect as is mentioned in paragraph (3), the person who is creditor with respect to the liability shall be a party to the said determination.

(6) Where it is determined that any liability to which this regulation applies ought to vest entirely in the appropriate Board, or that any amount of any such liability ought to be apportioned to the gas undertaking of the undertaker, that liability or that amount thereof, as the case may be, shall vest in the said Board; and where it is determined that any financial adjustments with respect to any liability to which this regulation applies ought to be made between the appropriate Board and the undertaker, adjustments shall be made by them accordingly.

(7) Where an apportioned amount of any liability to which this regulation applies vests in the appropriate Board, and that liability was before the vesting date secured by a mortgage or other encumbrance on property part of which vests in that Board by virtue of the Act, the mortgage or encumbrance shall have effect as if it created—

(*a*) a charge on the property which vests in the Board, securing the amount of the liability which vests in the Board; and

(*b*) a charge on the remainder of the property, securing the amount of the liability which does not so vest.

PART II

Notice under section 18 (3)

Form of notice.

10. A notice of question shall be in the form set out in the schedule to these regulations, or a form to the like effect.

PART III

Additional provisions, composite companies

Cash and investments.

11.—(1) Subject to due provision for any sum certified by the auditor in pursuance of paragraph (*b*) of subsection (10) of section thirty-four of the Act to be the amount required to enable the company to make payments of interest or dividend in respect of the final financial period, all cash and investments to which any composite company is beneficially entitled at the vesting date, and any income accrued thereon at the date of apportionment, shall be apportioned as between the appropriate Board and the company as provided in this regulation.

(2) The company shall, before the expiry of two months from the date of the auditor's certificate with respect to the sum referred to in the foregoing paragraph, serve on the appropriate Board one or more notices setting out particulars of the cash and investments to which the company was entitled at the vesting date and the company's proposals for their apportionment.

(3) The appropriate Board shall, before the expiry of two months from the service of any such notice, serve notice on the company stating whether or not they agree to the company's proposals as set out therein, and may in their notice specify counter proposals for the said apportionment.

(4) Any question arising as to the amount of the company's cash or investments to be apportioned, or as to the apportionment thereof, shall be determined under regulation nineteen ; and any cash or investments apportioned to the appropriate Board, together with any income accrued thereon to the date of apportionment, shall vest in the appropriate Board by virtue of the Act.

Partial satisfaction of debentures or debenture stock.

12.—(1) In the case of any holder of debentures or debenture stock of a composite company, that holder and the company shall each have the right, by notice given to the other of them within the period of twelve months from the date when the amount of the compensation to be made to that company under section thirty of the Act is determined, to require the transfer to the holder under this regulation of such amount of the British Gas Stock issued to the company under that section (in these regulations referred to as " the stock ") as is attributable to the value of the said securities held by him.

(2) The company shall, before the expiry of one month from the date aforesaid, give notice of that date to every holder of any debenture or debenture stock of the company ; the said notice shall be given by such method or methods as under the several instruments creating the said securities would constitute due notice to the respective holders thereof, and shall be accompanied by a copy of this and the next following regulation.

(3) Any notice under paragraph (1) shall specify for which of the debentures or for how much of the debenture stock held by that holder a transfer as aforesaid is required ; and the holder shall deliver to the company his certificate of registration of all debentures or debenture stock so specified—

(*a*) if the notice is given by him, with the notice ; or

(*b*) if the notice is given by the company, as soon as practicable after service thereof.

(4) The company shall on receipt in pursuance of the foregoing paragraphs of a notice or of a certificate, as the case may be,—

(*a*) forthwith certify the amount of the stock attributable to the value of each security specified in the notice given under paragraph (1), and give to the holder concerned notice thereof, and of the date as at which they will comply with sub-paragraph (*b*) ; and

(*b*) before the expiry of six months from the service of the notice under paragraph (1), cause an amount of the stock equal to the amount so certified—

(i) if no stock has then been issued to the company, to be issued to the person or persons appearing for the time being

in the register of the company to be the holder or holders of the security in question; or

(ii) in any other case, to be transferred to the said person or persons.

(5) Any certificate given in pursuance of the last foregoing paragraph shall, if purporting to be signed by a duly authorised director or officer of the company, be received by the registrar of the stock as evidence of the title of the holder to the amount of the stock so certified.

(6) In the case of each security specified in the notice aforesaid, the issue or transfer of the stock in pursuance of paragraph (4) shall, notwithstanding anything in any trust deed or other instrument creating the security, be satisfaction, to the extent of the same proportion of the nominal value thereof as the proportion of the company's net revenue ascertained in pursuance of paragraph (*b*) of subsection (1) of section thirty of the Act, of every right which the said person or persons might otherwise have had as holders of the security to payments by the company.

(7) The company shall cancel so much of each security to which the last foregoing paragraph applies as bears to the nominal value thereof the proportion specified in that paragraph; and shall record the said cancellation on the certificate of registration of that security.

Redemption of debentures or debenture stock.

13.—(1) A composite company may agree with the holder of any debenture or debenture stock of the company that in accordance with the provisions of this regulation the company shall redeem the said security by means of the transfer to that holder of such amount of the stock as may be so agreed:

Provided that if the holder belongs to a class, and it is provided by any enactment or other instrument creating or authorising that debenture or that stock that persons in that class are to rank pari passu, no agreement for any such transfer shall take effect unless the company has given notice, by a method which under the instrument creating the securities would constitute due notice to the persons belonging to that class, of an offer to those persons to participate in the agreement.

(2) Any such transfer shall be deemed to be satisfaction of every right which the holder concerned might otherwise have had as such to payments by the company, and shall take effect notwithstanding that it is provided by an enactment or other instrument creating or authorising that debenture or that stock that it shall not be redeemable, or shall be redeemed at a date other than the date of redemption of the stock.

(3) The amount of the stock transferred may be held by the said holder notwithstanding anything in any enactment or other instrument limiting or specifying the securities which may be held by him.

Protection of mortgagees and encumbrancers.

14.—(1) Where any property of a composite company vests in an Area Board by virtue of the Act, being property which was subject to a mortgage or encumbrance securing a debt which does not vest in that Board or a part of a debt apportioned to the company, the Area Board concerned and the company shall do all such things as are necessary, or as the mortgagee or encumbrancer may reasonably require to be done, to ensure the protection of the security of the said mortgagee or encumbrancer.

(2) Any question arising as to whether anything is necessary or reasonably required for the purpose aforesaid shall be determined under regulation nineteen.

PART IV

Additional provisions, certain other undertakers

Protection of mortgagees and encumbrancers.

15.—(1) Where any property of an ancillary gas undertaker or an undertaker who is not a body corporate vests in an Area Board by virtue of the Act, being property which was subject to a mortgage or encumbrance securing a debt which does not vest in that Board or a part of a debt apportioned to the undertaker, the Area Board concerned and the undertaker shall do all such things as are necessary, or as the mortgagee or encumbrancer may reasonably require to be done, to ensure the protection of the security of the said mortgagee or encumbrancer.

(2) Any question arising as to whether anything is necessary or reasonably required for the purpose aforesaid shall be determined under regulation nineteen.

PART V

Registration of title, etc.

Registration of title.

16. Any person any of whose assets vest in an Area Board or the Gas Council by virtue of the Act, and, on application duly made to him, any person either responsible for keeping any register or book in which any such asset is registered or inscribed or otherwise concerned with the registration or inscription of any such asset, shall do all such things as are necessary, or as the Board or that Council, as the case may be, may direct to be done, to ensure—

(*a*) the due registration or inscription of the title of the said Board or Council to that asset;

(*b*) the delivery to the Board or Council of any document constituting evidence of the said registration or inscription; and

(*c*) the payment to the Board or Council of any interest, rent or dividend on that asset due for payment on or after the date of the vesting in them of the asset.

Evidence of title.

17. A certificate that any asset has vested in an Area Board or the Gas Council by virtue of the Act shall, if purporting to be signed by a person authorised for the purpose by that Board or that Council, as the case may be, be received by any person responsible or concerned as mentioned in the last foregoing regulation as evidence that that asset has so vested.

PART VI

Disclaimer of agreements, etc.

Period for reference to arbitration.

18. Where an Area Board or the Gas Council have in pursuance of section twenty-two of the Act given to any person notice of disclaimer of an agreement or lease made or varied on or after the nineteenth day of November, nineteen hundred and forty-five, by an undertaker to whom Part II of the Act applies, the period within which that person (being a party to the agreement or lease) may refer to arbitration under the Act the question whether or not the said agreement or lease ought to be disclaimed shall be three months from the date of service upon him of that notice.

PART VII

Determination of questions

Settlement by agreement, or in default of agreement.

19.—(1) Where under any provision of these regulations any question is to be determined under this regulation, the parties to that question shall determine the same by agreement; and in default of agreement, the following paragraphs shall have effect.

(2) Any party to the question may on notice to every other party refer the matter for determination—

(*a*) if the undertaker concerned is a local authority, by the Minister of Health (or, if the undertaker is a local authority in Scotland, by the Secretary of State);

(*b*) in any other case, by arbitration under the Act.

(3) Where any question is referred to the Minister of Health or the Secretary of State under the last foregoing paragraph, a statement of the material facts not in dispute shall be agreed between all parties to the question and submitted by the party by whom that question is referred; any party may in that statement indicate that his agreement extends only to such of the facts set out therein as he then specifies.

(4) If any enquiry is held by the Minister of Health or the Secretary of State for the purpose of determining a question referred as aforesaid, subsections (2) to (5) (inclusive) of section two hundred and ninety of the Local Government Act, 1933,(**a**) or subsections (2) to (9) (inclusive) of section three hundred and fifty-five of the Local Government (Scotland) Act, 1947,(**b**) as the case may be, shall apply thereto.

(5) Subject to the provisions of section sixty-four of the Act relating to the procedure of the arbitration tribunal, every determination under this regulation shall be final and binding on all parties to the question; and may include any direction for the preparation, execution or grant of any deed or other instrument, which direction shall be complied with by each party to whom it is addressed.

PART VIII

Miscellaneous

Extension of time.

20. Any period or date specified in these regulations as the period within which, or the date by which, anything is to be done, may, notwithstanding that the period has expired or the date has passed, being a period be extended, or being a date be postponed,—

(*a*) if a local authority in Scotland are concerned, by the Minister and the Secretary of State jointly,

(*b*) in any other case, by the Minister,

in any case in which the Minister, or the Minister and the Secretary of State, as the case may be, is or are satisfied that there has been reasonable ground for not doing, or for not having done, that thing within that period or by that date, as the case may be.

Interpretation.

21.—(1) In these regulations the following expressions have the meanings hereby assigned to them respectively, that is to say:—

"the Act" means the Gas Act, 1948;

"the Minister" means the Minister of Fuel and Power;

"notice of question" has the meaning assigned by paragraph (2) of regulation two;

"section eighteen" has the meaning assigned by paragraph (1) of regulation one;

"the stock" has the meaning assigned by paragraph (1) of regulation twelve.

(**a**) 23 & 24 Geo. 5. c. 51. (**b**) 10 & 11 Geo. 6. c. 43.

(2) Expressions to which meanings are assigned by the Act or by these regulations shall, unless the context otherwise require, bear the same meanings in any instrument issued or made under the provisions of these regulations.

(3) The Interpretation Act, 1889,(a) shall apply to the interpretation of these regulations as it applies to the interpretation of an Act of Parliament.

Application to Scotland.

22. In the application of these regulations to Scotland—

(*a*) the expression "disclaim" includes "abandon", and the expression disclaimer shall be construed accordingly;

(*b*) the expression "easement" means "servitude";

(*c*) the expression "local authority" means a county or town council;

(*d*) the expression "mortgage" includes a heritable security.

Commencement and citation.

23. These regulations shall come into operation on the first day of May, nineteen hundred and forty-nine, and may be cited as the Gas (Vesting of Assets) Regulations, 1949.

Dated this twenty-sixth day of April, nineteen hundred and forty-nine.

Hugh Gaitskell,
Minister of Fuel and Power.

SCHEDULE

Regulation 10

GAS ACT, 1948

NOTICE UNDER SECTION 18 (3)

To .....(*a*)
of (*b*)..... in the county of .....

TAKE NOTICE that a question has arisen between you and .....
..... of (*b*).....
in the county of ..... in relation to the property of which particulars are given in col. 1 below, and that the provisions of the above mentioned subsection have effect.

Col. 1	Col. 2	Col. 3
Identification, and acreage or approximate rateable value, of property (*c*)	Section and subsection, or regulation and paragraph, under which the question has arisen (*d*)	Particulars of question or questions (*e*)

(a) 52 & 53 Vict. c. 63.

THE ADDRESS to which communications should be sent is:—

.....(*f*)

.....(*g*)

(*a*) Name of the other party to the question.

(*b*) Address, or in the case of a company, address of registered office or principal place of business.

(*c*) If the question relates to a part of a holding, identify the part.

(*d*) Section and subsection of the Gas Act, 1948, or regulation and paragraph of the Gas (Vesting of Assets) Regulations, 1949.

(*e*) Indicate if the question is as to the use to which the property was put, or as to its vesting, or as to the grant of interests in, or rights over or attaching to it, or in respect of the user thereof.

(*f*) If desired, the name and address of solicitors may be inserted.

(*g*) Signature of solicitors, or of the individual (or of a partner, or of a duly authorised director or officer of a company).

EXPLANATORY NOTE

(This Note is not part of these Regulations, but is intended to indicate their general purport.)

These regulations deal mainly with the problems connected with gas undertakers to whom sec. 18 of the Gas Act, 1948, applies (i.e. undertakers who are not companies dissolved on the vesting date). They also deal with registration of title, and evidence of title, for all assets transferred under the Act to Area Boards or the Gas Council, and with the period within which the disclaimer by an Area Board or the Gas Council of a contract made by any gas undertaker may be questioned by being referred to arbitration.

Part I deals with property and agreements of undertakers under sec. 18.

They are to furnish particulars before 31st May of certain property and agreements used or made partly for the purposes of the gas undertaking or partly in their capacity as gas undertakers.

Under the Act, such property and agreements are not transferred to the Area Board concerned (or, in the case of one holding company, to the Gas Council) unless they were used or made mainly for those purposes or mainly in that capacity. Under the regulations, either the appropriate Board or the undertaker may claim with respect to any such property or agreement, that it be excluded from the property and agreements which are transferred under the Act, notwithstanding that it was used or made mainly for the purposes of the gas undertaking or mainly in the undertaker's capacity as a gas undertaker, or, on the other hand, that it be included in the property and agreements transferred, notwithstanding that it was not used or made mainly for those purposes or mainly in that capacity.

The grant of interests in, or easements or rights over, property may be claimed by notice served by the appropriate Board or the undertaker concerned on the other of them.

Notices may also be served with regard to other rights, liabilities or obligations acquired or incurred partly for the purposes of the gas undertaking or partly in the capacity of a gas undertaker, claiming that they be excluded from, or included in, what is transferred to the Area Board concerned or the Gas Council, even though, in the one case, they were, or, in the other case, they were not, rights, liabilities or obligations acquired or incurred mainly for those purposes or mainly in that capacity.

In the case of agreements made partly for the purposes of the gas undertaking or partly in the capacity of a gas undertaker, the substitution for the original agreement of separate agreements, one for the Area Board and one for the former undertaker, may be claimed by notice; and separate agreements must be substituted in this way if the original agreement related to land of which part only is to be transferred.

In all these cases, where claims are made by particulars delivered or notice served, a counter notice of objection may be served up till 31st July; and provision is made for settlement of disputes.

Part II prescribes the form for notices under sec. 18 (3) of the Gas Act, 1948, (which delay the vesting of property where there is a dispute concerning it).

Part III contains additional provisions for composite companies. It lays down the procedure for:—

the apportionment of cash and investments,

the transfer to holders of debentures or debenture stock of so much of the British Gas Stock, issued to the company as compensation for the loss of its gas undertaking, as is attributable to the value of their holdings,

the satisfaction of debentures or debenture stock by the transfer of agreed amounts of British Gas Stock,

special agreements as to the incidence of debts, with provision where necessary for the variation of mortgages, etc.

Part IV lays down procedure for similar special agreements, and variation of mortgages, etc., with respect to debts of ancillary gas undertakers and undertakers who are not bodies corporate.

Part V deals with registration and evidence of title for all assets.

Part VI prescribes 3 months as the period for taking the disclaimer of agreements to arbitration.

Part VII provides for disputes. Questions are to be determined by agreement, and, in default of agreement, by arbitration under the Act, or, if a local authority are concerned, by the Minister of Health in England and Wales, and by the Secretary of State in Scotland.