



Foreign Compensation Act 1969

1969 CHAPTER 20

An Act to make provision with respect to certain property (including the proceeds thereof and any income or other property accruing therefrom) of persons formerly resident or carrying on business in Estonia, Latvia, Lithuania or a part of Czechoslovakia, Finland, Poland or Rumania which has been ceded to the Union of Soviet Socialist Republics, and to amend the Foreign Compensation Act 1950. [16th May 1969]

WHEREAS by an agreement entered into on 5th January 1968 between Her Majesty's Government in the United Kingdom and the Government of the Union of Soviet Socialist Republics each of those Governments undertook not to pursue with the other on its own behalf or on behalf of other persons, or to support, the claims described in Articles 1 and 2 of the agreement and the former Government undertook to make a settlement of claims against the latter Government by the holders of the unredeemed notes mentioned in Article 4 of the agreement and agreed to pay to the latter Government the sum of £500,000 out of the property or proceeds of property claimed by the latter:

And whereas it is expedient to make provision for carrying out such of those undertakings as were given by Her Majesty's Government in the United Kingdom;

Be it therefore 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:—

1 Extension of power to deal with property of Baltic States and ceded territories.

- (1) The purposes for which the Board of Trade may make orders under section 7 of the Trading with the Enemy Act 1939 (collection of enemy debts and custody of enemy property), and for which powers or duties conferred or imposed by that section or any such order on a custodian of enemy property may be exercised or are to be performed, shall include the disposal of or other dealing with former property of a Baltic State or ceded territory to enable a custodian of enemy property to perform his functions under subsections (3) and (5) below.

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- (2) Any order made by the Board of Trade under that section may make the like provision in relation to former property of a Baltic State or ceded territory as might be made by such an order in relation to enemy property if a state of war existed:

Provided that an order made by virtue of this subsection shall not provide for the payment to, or the vesting in, a custodian of enemy property of any money or other property unless an order had been made under or by virtue of that section before the passing of this Act purporting to require it to be paid to a custodian or to vest it or the right to transfer it in a custodian.

- (3) Notwithstanding anything in that section or any order thereunder, a custodian of enemy property shall, if the Treasury so directs—
- (a) pay to the Foreign Compensation Commission, for the purpose of enabling them to make payments in respect of any of the claims mentioned in Articles 1 and 4 of the agreement recited above or other similar claims, any money held by the custodian, being former property of a Baltic State or ceded territory, and any income arising therefrom which has not before the giving of the direction been paid into the Exchequer;
 - (b) pay to any other person specified in the direction any of that money;
 - (c) transfer to any person so specified any such property which, or the right to transfer which, is vested in the custodian;

and section 4(1) of the Enemy Property Act 1953 (payment into Exchequer of income from money invested by a custodian) shall not apply to income with respect to which a direction has been given under paragraph (a) above.

- (4) The Board of Trade may out of moneys provided by Parliament pay to the Foreign Compensation Commission sums not exceeding in the aggregate the amount of any income which has accrued since 12th February 1967 from former property of a Baltic State or ceded territory and has been paid into the Exchequer in pursuance of the said section 4(1).
- (5) When so directed by the Treasury, the custodian of enemy property shall, by way of repaying a payment of £500,000 made out of moneys provided by Parliament for the purpose of implementing the provisions of the agreement recited above for the payment of that sum to the Government of the Union of Soviet Socialist Republics, pay the like sum into the Consolidated Fund out of money held by him, being former property of a Baltic State or ceded territory.
- (6) Section 3(4) and (5) of the Enemy Property Act 1953 (saving for right to recover property dealt with under the Trading with the Enemy Act 1939 as enemy property) shall not operate so as to authorise the recovery after 5th January 1968 of any former property of a Baltic State or ceded territory, except property which on any of the relevant dates belonged to or was held or managed on behalf of an individual, or of any proceeds of such property, and any such property or proceeds (except as aforesaid) recovered by virtue of those subsections between that date and the passing of this Act shall be re-transferred or repaid, as the case may require.

2 Amendments of Foreign Compensation Act 1950.

- (1) The powers conferred by section 3 of the Foreign Compensation Act 1950 (claims to, and distribution of, compensation paid by foreign governments) shall be exercisable if Her Majesty's Government in the United Kingdom enter into or contemplate an agreement with the government of any other country (whether foreign or not)

providing for the payment of compensation by the latter government; and accordingly in that section for the words " any foreign country" there shall be substituted the words " any other country " .

- (2) An Order in Council under the said section 3 may make the like provision with respect to money paid to the Foreign Compensation Commission by virtue of section 1(3) or (4) above as may be made by any such Order in relation to sums paid to Her Majesty's Government in the United Kingdom by way of compensation by the government of any other country under an agreement between the two governments.
- (3) An Order in Council may be made under the said section 3 not only in the circumstances therein mentioned, but also if it appears to Her Majesty expedient to provide, in case agreement is reached between Her Majesty's Government in the United Kingdom and the government of any other country for the payment of compensation by the latter, for the registration, investigation and determination of claims to such compensation.
- (4) Section 2(3) of the Foreign Compensation Act 1950 (appointment by Commonwealth governments of additional members of the Foreign Compensation Commission for the purpose of determining claims to compensation paid by the Governments of Yugoslavia and Czechoslovakia) shall cease to have effect.

3 Determinations of the Foreign Compensation Commission and appeals against such determinations.

- (1) The Foreign Compensation Commission shall have power to determine any question as to the construction or interpretation of any provision of an Order in Council under section 3 of the Foreign Compensation Act 1950 with respect to claims falling to be determined by them.
- (2) Subject to subsection (4) below, the Commission shall, if so required by a person mentioned in subsection (6) below who is aggrieved by any determination of the Commission on any question of law relating to the jurisdiction of the Commission or on any question mentioned in subsection (1) above, state and sign a case for the decision of the Court of Appeal.
- (3) In this section " determination " includes a determination which under rules under section 4(2) of the Foreign Compensation Act 1950 (rules of procedure) is a provisional determination, and anything which purports to be a determination.
- (4) Where the Court of Appeal decide a question on a case stated and signed by the Commission on a provisional determination in any proceedings, subsection (2) above shall not require the Commission to state and sign a case on a final determination by them of that question in those proceedings.
- (5) Any person mentioned in subsection (6) below may, with a view to requiring the Commission to state and sign a case under this section, request the Commission to furnish a written statement of the reasons for any determination of theirs, but the Commission shall not be obliged to state the reasons for any determination unless it is given on a claim in which a question mentioned in subsection (2) above arises.
- (6) The persons who may make a request under subsection (5) above or a requirement under subsection (2) above in relation to any claim are the claimant and any person appointed by the Commission to represent the interests of any fund out of which the claim would, if allowed, be met.

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- (7) Any such request or requirement must be in writing, and—
- (a) any such request may be disregarded unless it is received by the Commission within the period of four weeks beginning with the date on which the Commission send notice of the determination in question or such other period as may be provided for by or under rules under section 4(2) of the Foreign Compensation Act 1950; and
 - (b) any such requirement may be disregarded unless it is received by the Commission within the period of eight weeks beginning with that date or the period of four weeks beginning with the date on which the Commission send a statement of reasons for the determination in question, whichever expires last, or within such other period as may be provided for by or under rules of court.
- (8) Notwithstanding anything in section 3 of the Appellate Jurisdiction Act 1876 (right of appeal to the House of Lords from decisions of the Court of Appeal), no appeal shall lie to the House of Lords from a decision of the Court of Appeal on an appeal under this section.
- (9) Except as provided by subsection (2) above and subsection (10) below, no determination by the Commission on any claim made to them under the Foreign Compensation Act 1950 shall be called in question in any court of law.
- (10) Subsection (9) above shall not affect any right of any person to bring proceedings questioning any determination of the Commission on the ground that it is contrary to natural justice.
- (11) Subsections (2) to (10) above shall not apply to a determination of the Commission of which notice was sent by them before the passing of this Act.
- (12) Section 4(4) of the Foreign Compensation Act 1950 (which makes provision corresponding to subsection (9) above) shall not apply to a determination of the Commission of which notice is sent by them after the passing of this Act.

4 Interpretation.

- (1) In this Act, except so far as the context otherwise requires,—
- " Baltic State " means Estonia, Latvia or Lithuania (including Memel and the city and territory of Vilna);
 - " ceded territory " means a part of Czechoslovakia, Finland, Poland or Rumania which has been ceded to the Union of Soviet Socialist Republics;
 - " former property ", in relation to a Baltic State or ceded territory, means—
 - (a) any property which on any of the relevant dates belonged to or was held or managed on behalf of an individual resident or carrying on business on that date in any such State or territory;
 - (b) any property which during the period beginning with 3rd September 1939 and ending with 8th May 1945 belonged to or was held or managed on behalf of a body of persons (whether corporate or unincorporate) carrying on business at any time during that period in any such State or territory; and
 - (c) without prejudice to paragraph (b) above, any gold, securities, or credit balance at a bank with respect to which a direction was given on 24th July 1940 under Regulation 2A of the Defence (Finance) Regulations 1939; and any proceeds of, any income arising from, and any other

payments in respect of, any such property and any other property accruing therefrom;

" property " includes all rights or interests of any kind in property;

" relevant date ", in relation to any property, means any of the following dates, that is to say—

- (a) the date on which the right to dispose of the property was first regulated by an order under section 7 of the Trading with the Enemy Act 1939;
- (b) the date on which the property or the right to transfer it was vested by virtue of such an order in a custodian of enemy property;
- (c) in the case of a sum of money, the date on which the sum was first required by such an order to be paid, or was in fact paid in pursuance of such an order, to a custodian of enemy property.

- (2) Any reference in this Act to any enactment or regulation is a reference thereto as amended, and includes a reference thereto as extended or applied, by or under any other enactment, including this Act.

5 Short title.

This Act may be cited as the Foreign Compensation Act 1969.