



# Industry Act 1975

## 1975 CHAPTER 68

### PART II

#### POWERS IN RELATION TO TRANSFERS OF CONTROL OF IMPORTANT MANUFACTURING UNDERTAKINGS TO NON-RESIDENTS

#### **13 Power to make orders**

(1) If it appears to the Secretary of State—

- (a) that there is a serious and immediate probability of a change of control of an important manufacturing undertaking; and
- (b) that that change of control would be contrary to the interests of the United Kingdom, or contrary to the interests of any substantial part of the United Kingdom,

he may by order (in this Part of this Act referred to as a "prohibition order") specify the undertaking and—

- (i) prohibit that change of control; and
- (ii) prohibit or restrict the doing of things which in his opinion would constitute or lead to it;

and may make such incidental or supplementary provision in the order as appears to him to be necessary or expedient.

(2) Subject to subsection (3) below, if—

- (a) the conditions specified in paragraphs (a) and (b) of subsection (1) above are satisfied, or
- (b) a prohibition order has been made in relation to an important manufacturing undertaking, or
- (c) the Secretary of State has learnt of circumstances which appear to him to constitute a change of control of an important manufacturing undertaking, occurring on or after 1st February 1975, and is satisfied that that change is contrary to the interests of the United Kingdom, or contrary to the interests of any substantial part of the United Kingdom,

the Secretary of State may by order made with the approval of the Treasury (in this Part of this Act referred to as a " vesting order ") direct that on a day specified in the order—

- (i) share capital and loan capital to which this subsection applies, or
- (ii) any assets which are employed in the undertaking,

shall vest in the Board or in himself or in nominees for the Board or himself and may make such incidental or supplementary provision in the order as appears to him to be necessary or expedient.

- (3) A vesting order may only be made if the Secretary of State is satisfied that the order is necessary in the national interest and that, having regard to all the circumstances, that interest cannot, or cannot appropriately, be protected in any other way.
- (4) The share capital and loan capital to which subsection (2) above applies are—
  - (a) in any case where the Secretary of State considers that the interests mentioned in subsection (2)(c) above cannot, or cannot appropriately, be protected unless all the share capital of any relevant body corporate vests by virtue of the order, the share capital of that body corporate, together with so much (if any) of the loan capital of that body as may be specified in the order,
  - (b) in any other case, that part of the share capital of any relevant body corporate which, at the time that the draft of the order is laid before Parliament under section 15(3) below, appears to the Secretary of State to be involved in the change of control.
- (5) In this section " relevant body corporate " means—
  - (a) a body corporate incorporated in the United Kingdom carrying on in the United Kingdom as the whole or the major part of its business there the whole or part of an important manufacturing undertaking, or
  - (b) a body corporate incorporated in the United Kingdom—
    - (i) which is the holding company of a group of companies carrying on in the United Kingdom as the whole or the major part of their business there the whole or part of an important manufacturing undertaking, and
    - (ii) as to which one of the conditions specified in subsection (6) below is satisfied.
- (6) The conditions mentioned in subsection (5) above are—
  - (a) that it appears to the Secretary of State that there is a serious and immediate probability of the happening of an event in relation to the company which would constitute a change of control of the undertaking, or
  - (b) that the Secretary of State has learnt of circumstances relating to the company which appear to him to constitute a change of control of the undertaking on or after 1st February 1975.