



Aircraft and Shipbuilding Industries Act 1977 (repealed)

1977 CHAPTER 3

PART II

VESTING OF SECURITIES AND OTHER ASSETS IN THE CORPORATIONS AND ACQUIRED COMPANIES

Acquisition of securities and assets

19 Vesting in British Aerospace or British Shipbuilders of securities of Scheduled companies.

- (1) Subject to the provisions of this Part of this Act, on the aircraft industry vesting date all securities of the companies which on 29th October 1974 were known by the names specified on Part I of Schedule 1 to this Act, being the companies other than any excepted company which on that date fulfilled the conditions in Part II of that Schedule, shall, by virtue of this section, vest in British Aerospace free from all trusts and incumbrances.

^{F1}(2)

- (3) [^{F2}Each Corporation shall, in respect of the securities of any company which vest in it by virtue of this Part of this Act, be entitled or subject, as from the date of transfer, to the exclusion of the previous holders thereof, to all the rights, privileges and advantages and all the liabilities and obligations arising from the holding of those securities, in all respects as if the securities had been duly transferred to the Corporation in accordance with the enactments and rules of law (other than this Act) applicable thereto and everything necessary to make those rights, privileges, advantages, liabilities and obligations fully effective had been duly done.]

- (4) [^{F2}Without prejudice to subsection (3) above, all persons concerned with the keeping of the register of the holders of any such securities as are referred to in that subsection shall forthwith register the relevant Corporation therein and the company concerned

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shall forthwith issue to that Corporation the appropriate documents of title relating to the securities of the company which vest in that Corporation by virtue of this Part of this Act.]

(5) [^{F2}In this section—

“excepted company” means any company—

- (a) which before 21st November 1975 a court has ordered to be wound up; or
- (b) which before that day has passed a resolution for voluntary winding up; or
- (c) of whose property a receiver has been appointed before that date; and

“securities”, in relation to a company, does not include any security forming part of the loan capital of the company, the terms of which enable it to be redeemed, either without notice or upon not more than one year’s notice, at a price not exceeding the nominal amount of the security together with any outstanding interest, at any time after the creation of the security or the expiry of a period not exceeding one year after the creation of the security.]

Textual Amendments

- F1** S. 19(2) omitted (22.3.2013) by virtue of [The Public Bodies \(Abolition of British Shipbuilders\) Order 2013 \(S.I. 2013/687\)](#), art. 1(2), [Sch. 1 para. 3\(3\)\(a\)](#)
- F2** S. 19(3)-(5) ceases to have effect (22.3.2013) by virtue of [The Public Bodies \(Abolition of British Shipbuilders\) Order 2013 \(S.I. 2013/687\)](#), art. 1(2), [Sch. 1 para. 3\(3\)\(b\)](#)

Modifications etc. (not altering text)

- C1** 29.4.1977 appointed under s. 56(1) as aircraft industry vesting date by [S.I. 1977/539](#), [art. 2](#)
- C2** 1.7.1977 appointed under s. 56(1) as shipbuilding industry vesting date by [S.I. 1977/540](#), [art. 2](#)

20 Vesting in acquired company of certain assets of privately-owned companies in same group.

- (1) [^{F3}Subject to subsection (5) below, where immediately before the date of transfer an acquired company was the wholly owned subsidiary of the person from whom it was acquired, any property, rights or liabilities to which this subsection applies shall vest in the acquired company on the date of transfer of the company.]
- (2) [^{F3}The property, rights and liabilities to which subsection (1) above applies are any property, rights and liabilities of an associated privately owned company which—
- (a) satisfy a vesting condition for the purposes of this section, and
 - (b) would remain vested in the associated privately owned company but for this section.]
- (3) [^{F3}Property, rights and liabilities satisfy a vesting condition for the purposes of this section if—
- (a) they are wholly appurtenant to the undertaking carried on by the acquired company, or
 - (b) they are mainly appurtenant to property, rights or liabilities which are wholly appurtenant to that undertaking, or

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- (c) they cannot reasonably be severed from property, rights or liabilities of the acquired company or property, rights or liabilities such as are mentioned in paragraph (a) or (b) above.]

^{F4}(4)

- (5) [^{F5}The rights and liabilities under any agreement for the rendering of personal services by any person shall be vested in the acquired company by virtue of this section if, and only if, immediately before the date of transfer, his employment under the agreement was wholly or mainly for the purposes of the undertaking carried on as mentioned in subsection (3) or, as the case may require, subsection (4) above.]

- (6) [^{F5}The provisions of Schedule 3 to this Act shall have effect for supplementing the preceding provisions of this section.]

- (7) [^{F5}In this section and Schedule 3 to this Act—

“associated privately owned company” means any privately owned company which immediately before the date of transfer was the holding company of an acquired company or the wholly owned subsidiary of a company whose securities do not vest but which was the holding company of an acquired company; and

“privately owned company” means a company whose securities do not vest, and which is not a subsidiary of a company whose securities vest, in either of the Corporations by virtue of this Part of this Act.]

Textual Amendments

- F3** S. 20(1)-(3) ceases to have effect (22.3.2013) by virtue of [The Public Bodies \(Abolition of British Shipbuilders\) Order 2013 \(S.I. 2013/687\)](#), art. 1(2), **Sch. 1 para. 3(3)(b)**
- F4** S. 20(4) omitted (22.3.2013) by virtue of [The Public Bodies \(Abolition of British Shipbuilders\) Order 2013 \(S.I. 2013/687\)](#), art. 1(2), **Sch. 1 para. 3(3)(a)**
- F5** S. 20(5)-(7) ceases to have effect (22.3.2013) by virtue of [The Public Bodies \(Abolition of British Shipbuilders\) Order 2013 \(S.I. 2013/687\)](#), art. 1(2), **Sch. 1 para. 3(3)(b)**

^{F6}21 Certain loans from associated persons to be treated as securities.

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Textual Amendments

- F6** Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), **Sch. 1 Pt. 16** Group 1

^{F6}22 Determination of rights to require the issue of securities or to nominate directors.

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Textual Amendments

- F6** Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), **Sch. 1 Pt. 16** Group 1

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Payments of dividend and interest

F623 Control of dividends and interest.

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Textual Amendments

F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 1

F624 Permitted dividends and interest.

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Textual Amendments

F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 1

F625 Final payments of dividend and interest.

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Textual Amendments

F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 1

Safeguarding of assets, avoidance of certain transactions, etc.

F626 Power to acquire securities of certain additional companies.

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Textual Amendments

F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 1

F627 Removal of company from companies to be acquired.

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Textual Amendments

F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 1

F628 Prohibition of transfer of certain works.

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Textual Amendments

F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 1

F629 Recovery of assets transferred away.

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Textual Amendments

F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 1

F630 Dissipation of assets by transactions involving holders of securities etc.

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Textual Amendments

F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 1

F631 Onerous transactions: disclaimer and recovery of losses.

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Textual Amendments

F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 1

F632 Provisions supplementary to section 31.

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Textual Amendments

F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 1

F633 Supplementary provisions relating to dissipation of assets.

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Textual Amendments

F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 1

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F634 Approvals and undertakings given before passing of Act.

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Textual Amendments
F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), **Sch. 1 Pt. 16** Group 1

Compensation

F635 Compensation for vesting of securities.

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Textual Amendments
F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), **Sch. 1 Pt. 16** Group 1

F636 Payment of compensation.

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Textual Amendments
F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), **Sch. 1 Pt. 16** Group 1

F637 Base value of securities of a listed class.

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Textual Amendments
F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), **Sch. 1 Pt. 16** Group 1

F638 Base value of other securities.

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Textual Amendments
F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), **Sch. 1 Pt. 16** Group 1

F639 The appropriate deduction.

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Textual Amendments

F6 Ss. 21-39 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 1

40 General provisions as to compensation stock.

- (1) [^{F7}Compensation stock shall bear such rate of interest and be subject to such conditions as to repayment, redemption and other matters as the Treasury may determine.]
- (2) [^{F7}The Treasury may by regulations made by statutory instrument make provision as to the issue of compensation stock by the Bank of England.]
- (3) [^{F7}Regulations under subsection (2) above may contain such incidental or supplementary provisions as the Treasury consider appropriate.]
- ^{F8}(4)
- (5) [^{F7}Any expenses incurred in connection with the issue or repayment of compensation stock shall be charged on and issued out of the National Loans Fund.]
- (6) [^{F7}References in the preceding provisions of this section to compensation stock include references to stock issued by way of compensation in accordance with paragraph 5 of Schedule 4 to this Act.]

Textual Amendments

- F7** S. 40(1)-(3)(5)(6) ceases to have effect (22.3.2013) by virtue of [The Public Bodies \(Abolition of British Shipbuilders\) Order 2013 \(S.I. 2013/687\)](#), art. 1(2), [Sch. 1 para. 3\(3\)\(b\)](#)
- F8** S. 40(4) omitted (22.3.2013) by virtue of [The Public Bodies \(Abolition of British Shipbuilders\) Order 2013 \(S.I. 2013/687\)](#), art. 1(2), [Sch. 1 para. 3\(3\)\(a\)](#)

Modifications etc. (not altering text)

- C3** By [British Aerospace Act 1980 \(c. 26, SIF 64\)](#), [s. 10\(1\)](#) it is provided that ss. 40(4) and 41(4) are repealed in relation to British Aerospace and that any reference in those provisions (in whatever terms expressed) to either or both of the Corporations originally established by s. 1 of this Act shall be construed as a reference to the other Corporation so established (that is to say, British Shipbuilders)

^{F9}41 Stockholders' representatives.

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Textual Amendments

F9 S. 41 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 16](#) Group 1

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