



# Crown Agents Act 1979

## 1979 CHAPTER 43

### *The Crown Agents for Oversea Governments and Administrations*

#### **1 Reconstitution of Crown Agents as body corporate**

- (1) On such day as the Minister may by order appoint (in this Act referred to as " the appointed day ")—
  - (a) there shall come into being a body corporate named the Crown Agents for Oversea Governments and Administrations, which shall function under and in accordance with the provisions of this Act; and
  - (b) the term of office of each of the unincorporated Agents shall expire, but without prejudice to his eligibility for appointment under this section to membership of the Crown Agents for a term of office beginning on that day.
- (2) In this Act—
  - (a) " the Crown Agents " means the body corporate established by this section;
  - (b) " the unincorporated Agents " means the persons for the time being holding office under the Crown as Crown Agents for Oversea Governments and Administrations ; and
  - (c) " the Minister " means the Minister of Overseas Development.
- (3) The Crown Agents shall consist of not less than six nor more than ten members appointed by the Minister; and the Minister shall appoint one member to be the chairman, and another member to be the deputy chairman, of the Crown Agents.
- (4) Any appointment under subsection (3) may be on either a full-time or a part-time basis.
- (5) The Crown Agents, despite their name—
  - (a) are to be regarded as agents of the Crown only in so far as they act as agents of the Crown by virtue of any provision of this Act expressly authorising them to do so; and
  - (b) are not to be regarded as servants of the Crown or as enjoying any status, privilege or immunity of the Crown,

and their property is not to be regarded as property of, or held on behalf of, the Crown; but nothing in this Act shall be taken to derogate from any privilege, immunity or exemption of the Crown in relation to any matter as respects which the Crown Agents act as agents of the Crown by virtue of any such provision as is mentioned in paragraph (a).

- (6) Schedule 1 shall have effect with respect to the Crown Agents.
- (7) The Minister may, after consultation with the Crown Agents, by order specify a different name by which the Crown Agents are to be known; and an order under this subsection may make such provision as appears to the Minister to be necessary or expedient in consequence of the change of name effected thereby, including provision for amending enactments (whether contained in this or any other Act).

## **2 Vesting in Crown Agents of property, rights and liabilities**

- (1) Subject to the provisions of this section, on the appointed day there shall vest in the Crown Agents by virtue of this Act—
  - (a) all property (in whoever vested) which, immediately before the appointed day, is held by or on behalf of the Crown in connection with the functions of the unincorporated Agents in their capacity as such; and
  - (b) all rights, liabilities and obligations (in whoever vested) which, immediately before that day, are enjoyed by, or incumbent on, the Crown in that connection.
- (2) Subsection (1) does not apply to any property, rights, liabilities or obligations as to which it is provided by paragraph 7 of Schedule 5 that on the appointed day they are to vest in the Crown Agents Holding and Realisation Board established by section 25.
- (3) Subsection (1)(a) does not apply to any property which, immediately before the appointed day, is vested in any person as nominee of the unincorporated Agents or any of them in their capacity as such; and accordingly, subject to paragraph 7(2) of Schedule 5, any such property shall as from that day continue vested in that person as nominee, but (by virtue of subsection (1) (b)) as nominee of the Crown Agents and not of any other person.
- (4) Schedule 2 shall have effect for the purpose of supplementing the preceding provisions of this section.
- (5) In this section and Schedule 2 " the Crown " means the Crown in right of Her Majesty's Government in the United Kingdom.

## **3 General functions of Crown Agents**

- (1) Subject to the following provisions of this Act, the Crown Agents shall have power—
  - (a) to do, as agents of any scheduled authority or body, but not as agents of any other person, anything which they are by or under this Act given power to do as agents; and
  - (b) to do, otherwise than as agents, anything which they are by or under this Act given power to do in their own right
- (2) It shall be the duty of the Minister, in deciding whether or how far to make use of any power conferred on him by this Act, and in particular his powers under section 10 to require the Crown Agents to furnish him with information, to have regard to the special

nature of the relationship between the Crown Agents and the scheduled authorities and bodies for whom they act as agents.

- (3) In this Act " scheduled authority or body" means an authority or body of any description specified in Part I of Schedule 3, and references to the scheduled authorities and bodies shall be construed accordingly.
- (4) Part II of Schedule 3 shall have effect for the purpose of supplementing subsection (3).

#### **4 Authorised agency activities**

- (1) As agents of any scheduled authority or body the Crown Agents shall have power to carry on anywhere in the world any of the activities mentioned in Schedule 4 on behalf of their principal; and references in that Schedule to the principal shall be construed accordingly.
- (2) The Minister may from time to time, with the approval of the Treasury and after consultation with the Crown Agents, by order impose on the Crown Agents, for any period specified in the order, an overall limit on the amount of funds which may be accepted by them under paragraph 10 of Schedule 4 during that period.
- (3) The Minister may by order confer on the Crown Agents power, as agents of any scheduled authority or body, to carry on anywhere in the world any activity not mentioned in Schedule 4 which in his opinion it would be appropriate for the Crown Agents to have power to carry on as agents.
- (4) An order under subsection (3) conferring power to carry on any activity—
  - (a) may be framed so as to confer power to carry on that activity only in accordance with conditions specified in the order; and
  - (b) may be made so as to have effect from any date not earlier than the appointed day.

#### **5 Authorised non-agency activities**

- (1) The Crown Agents shall have power to carry on in their own right anywhere in the world any of the following activities—
  - (a) providing any of the services mentioned in subsection (2) to scheduled authorities and bodies, but not to any other person;
  - (b) procuring, subject to subsection (3), movable property of any kind, being property for which the Crown Agents anticipate a demand on the part of one or more of the scheduled authorities and bodies, and selling any such property to any such authority or body or (subject to subsection (3)) to any other person.
- (2) The services referred to in subsection (1)(a) are—
  - (a) technical inspection services (including testing);
  - (b) giving professional or technical advice;
  - (c) carrying out feasibility studies ;
  - (d) supervision and management of projects;
  - (e) appraisal of proposals;
  - (f) certification in connection with contracts ;
  - (g) consultancy services;
  - (h) training services;

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*Status: This is the original version (as it was originally enacted).*

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- (i) provision and management of staff;
  - (j) services as a trustee or nominee;
  - (k) acting as registrar, and performing related functions, for the purposes of any loan raised by a scheduled authority or body;
  - (l) subject to subsection (3), procuring movable property of any kind, being property required by one or more of the scheduled authorities and bodies, and selling it to such of those authorities and bodies as require it;
  - (m) subject to subsection (3), assembling, installing, commissioning or maintaining any equipment procured and sold in pursuance of paragraph (l);
  - (n) providing on commercial terms—
    - (i) short-term credit in cases where a payment falls to be made by the Crown Agents, as agents of any scheduled authority or body, before the principal has done any of the things mentioned in section 8 (2) (a) and (b); or
    - (ii) subject to subsection (3), credit in connection with the sale of any movable property in pursuance of subsection (1)(b) or paragraph (l).
- (3) The following powers of the Crown Agents under subsection (1), namely—
- (a) the power under subsection (1)(a) to procure movable property in pursuance of subsection (2)(l);
  - (b) the power under subsection (1)(a) to provide any of the services mentioned in subsection (2)(m);
  - (c) the power under subsection (1)(a) to provide credit as mentioned in subsection (2)(n)(ii);
  - (d) the power under subsection (1)(b) to procure movable property; and
  - (e) the power under subsection (1)(b) to sell property procured under subsection (1)(b) to a person other than a scheduled authority or body,
- shall be exercisable only with the consent of the Minister.
- (4) Where as agents of any scheduled authority or body the Crown Agents receive any sum for disbursement or investment on behalf of the principal, they shall have power in their own right, pending the disbursement or investment of that sum on behalf of the principal, to make use of it for their own benefit by investing it in their own name in accordance with regulations.
- (5) The Minister may by order confer on the Crown Agents power in their own right to carry on anywhere in the world any activity not authorised by subsection (1).
- (6) Any order under subsection (5) conferring power to carry on any activity may be framed so as to confer power to carry on that activity only in accordance with conditions specified in the order.
- (7) No order shall be made under subsection (5) unless a draft of the order has been laid before Parliament and approved by a resolution of each House of Parliament.

## **6 Ancillary powers**

- (1) Subject to the provisions of this section, the Crown Agents shall have power to do anywhere in the world anything which is calculated to facilitate the carrying on of the activities authorised by or under sections 4 and 5 or is incidental or conducive to the carrying on of any of those activities, including, without prejudice to the generality

of the preceding provision, power to acquire, hold and dispose of interests in other bodies corporate and to form or take part in forming bodies corporate.

- (2) Except with the consent of the Minister the Crown Agents shall not have power in their own right—
- (a) to acquire any interest in a body corporate ; or
  - (b) to transfer any interest of theirs in a wholly owned subsidiary of the Crown Agents to a person other than—
    - (i) another wholly owned subsidiary of the Crown Agents; or
    - (ii) a person who is to hold it as nominee of the Crown Agents or of a wholly owned subsidiary of the Crown Agents;
  - (c) to form or take part in forming a body corporate; or
  - (d) to enter into a partnership or any other form of joint venture with any person other than a subsidiary of the Crown Agents.
- (3) The Crown Agents—
- (a) shall not have power in their own right—
    - (i) to acquire any land otherwise than for occupation or (as regards rights in or over land) enjoyment by the Crown Agents or a subsidiary of the Crown Agents; or
    - (ii) to guarantee any obligation (however arising) incurred by any other person not being such a subsidiary ; and
  - (b) except with the consent of the Minister, shall not have power in their own right to guarantee any obligation (however arising) incurred by such a subsidiary.
- (4) Nothing in this section shall—
- (a) give the Crown Agents power to engage in their own right in any field of activity not expressly authorised by or under section 5 ; or
  - (b) preclude the Crown Agents from holding any property or right, meeting any liability or fulfilling any obligation which under section 2 vests in them on the appointed day.

## **7 Duty to act as agents of certain governments etc. on request**

Except in so far as the Minister may otherwise direct, it shall be the duty of the Crown Agents, if so requested by a scheduled authority or body being either—

- (a) a government within paragraph 1 of Part I of Schedule 3; or
- (b) a public authority or public body established under the law of any colony or associated state or of any country or territory outside Her Majesty's dominions in which Her Majesty has jurisdiction in right of Her Government in the United Kingdom,

to carry on as agents of that authority or body such of the activities authorised by or under section 4 as are specified in the request, and to do so on terms similar to those on which they carry on the activities in question for other scheduled authorities and bodies.

## **8 Pre-funding of agency activities**

- (1) Where as agents of any scheduled authority or body the Crown Agents undertake any activity involving the making of payments by them on behalf of the principal, the following provisions of this section shall apply.

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- (2) It shall be the duty of the Crown Agents to ensure, so far as they are able to do so, that before any particular payment falls to be made by them on behalf of the principal, the principal will have either—
- (a) paid or caused to be paid to them a sum sufficient to enable them to make the payment; or
  - (b) caused to be issued to them an irrevocable letter of credit that will enable them to recover the sum required to make the payment.
- (3) Subject to subsection (5), any sum which the Crown Agents receive for disbursement or investment on behalf of the principal may, pending its disbursement or investment on his behalf, be invested by the Crown Agents in their own name and for their own benefit in accordance with regulations made under section 5(4).
- (4) As consideration for their use of any sum invested by them for their own benefit under subsection (3) the Crown Agents shall be liable to pay interest thereon to the principal; and the Crown Agents shall not be liable to account to the principal for any profit accruing to them from that use.
- (5) Where—
- (a) the Crown Agents receive for disbursement or investment on behalf of the principal a sum which, or a part of which, will not be needed by them for that purpose until a future date ; and
  - (b) the period from the receipt of that sum to the date when it, or that part of it, will be, or is likely to be, so needed is long enough for it to be appropriate, as a matter of good investment management, for the Crown Agents to invest the sum, or that part of it, on behalf of the principal,
- the Crown Agents shall invest the sum, or that part of it, on behalf of the principal at his risk in accordance with his general or specific instructions or, in default of such instructions, by placing it on deposit at his risk at a bank.
- In this subsection " bank " means the Bank of England or—
- (i) in relation to any time before such date as the Minister may, after consultation with the Treasury, determine, a bank which is both an authorised dealer and an authorised depository as respectively defined in section 42(1) of the Exchange Control Act 1947 ; and
  - (ii) in relation to any time on or after that date, a recognised bank within the meaning of the Banking Act 1979, or the Post Office in the exercise of its powers to provide banking services.
- (6) Where—
- (a) a payment falls to be made on some future date by the Crown Agents on behalf of the principal; and
  - (b) to enable them to make that payment the Crown Agents need to realise investments for the time being held by them on behalf of the principal in consequence of subsection (5),
- the Crown Agents may realise the necessary investments a reasonable time before the payment falls to be made.
- (7) Where the Crown Agents realise any investments in pursuance of subsection (6), subsections (3) to (5) shall apply in the case of the proceeds as they apply in the case of any other sum received by them for disbursement or investment on behalf of the principal.

## **9 Duties with respect to management of activities**

- (1) The Crown Agents shall at any time when the Minister so requires—
  - (a) undertake a review of the affairs of the Crown Agents and their subsidiaries for the purpose of determining how the management of the activities of the Crown Agents and their subsidiaries can most efficiently be organised; and
  - (b) make a report to the Minister on the Crown Agents' conclusions arising from the review.
- (2) The Minister shall lay before each House of Parliament a copy of any report under subsection (1), and may, after doing so and consulting the Crown Agents, give the Crown Agents such directions as he considers appropriate for securing that the management of the activities of the Crown Agents and their subsidiaries is organised in the most efficient manner.

## **10 Power of Minister to obtain information from Crown Agents**

- (1) The Crown Agents shall furnish the Minister with such information as he may from time to time require with respect to such of the matters mentioned in subsection (2) as he may specify in writing.
- (2) Those matters are the activities (past, present or future), the plans, the property and the financial position of the Crown Agents or of any subsidiary of the Crown Agents, and in particular (but without prejudice to the foregoing provision) the position with respect to any sums received by the Crown Agents from the Minister by way of loan or grant under this Act.
- (3) Any information which the Crown Agents are required to furnish to the Minister under subsection (1) shall be furnished in such manner and at such time or times as he may specify in writing; but the Crown Agents shall only be required under that subsection to furnish information which they have or which they can reasonably be expected to obtain.
- (4) The Crown Agents shall afford the Minister facilities for verifying any information furnished to him under this section in such manner and at such times as he may reasonably request.

## **11 Annual reports**

- (1) After the end of each accounting year the Crown Agents shall, within such time as the Minister may direct, make to the Minister, in such form as he may direct, a report on the performance by them of their functions during that year and on their policies, programmes and plans.
- (2) The report of the Crown Agents for any accounting year shall set out any direction given to them under this Act during that year, except any direction in the case of which the Minister has notified to the Crown Agents his opinion that it is against the national interest for it to be included in the report.
- (3) The Minister shall lay a copy of every report made to him under this section before each House of Parliament.

## 12 Control by Crown Agents of subsidiaries

- (1) As regards any subsidiary of the Crown Agents, the Crown Agents—
- (a) shall ensure that no person other than a member of the Crown Agents is appointed as a director of the subsidiary unless his appointment has been approved by the Minister or is made in accordance with any general arrangements for the appointment of directors of the subsidiary which are for the time being so approved;
  - (b) shall secure that (notwithstanding anything in the subsidiary's memorandum or articles of association) the subsidiary does not, either alone or in association with any other person, engage in any activity which the Crown Agents are not empowered to carry on; but
  - (c) shall not by virtue of paragraph (b) be obliged to prevent the subsidiary from carrying on with the consent of, or in accordance with the terms of any general authority given by, the Minister and in accordance with any conditions attached by him thereto, any activity which the Crown Agents would have power to carry on if the consent or authority had been given to them.
- (2) As regards any wholly owned subsidiary of the Crown Agents, the Crown Agents shall secure that (notwithstanding anything in the subsidiary's memorandum or articles of association) the subsidiary does not, except with the consent of the Minister—
- (a) issue any of its shares, stock or debentures to a person other than—
    - (i) the Crown Agents or another wholly owned subsidiary of the Crown Agents ; or
    - (ii) a person who is to hold them as a nominee of the Crown Agents or of a wholly owned subsidiary of the Crown Agents ; or
  - (b) transfer any interest of the subsidiary in another wholly owned subsidiary of the Crown Agents to a person not within paragraph (a)(i) or (ii).