

Status: Point in time view as at 27/07/1993.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, SCHEDULE 22. (See end of Document for details)

SCHEDULES

SCHEDULE 22

Section 210.

TRADING FUNDS

Introduction

1 The ^{M1}Government Trading Funds Act 1973 shall be amended as follows.

Marginal Citations

M1 1973 c. 63.

Reserves

2 (1) The following section shall be inserted after section 2—

“2AA Initial reserves.

- (1) An order providing for any assets and liabilities to be appropriated as assets and liabilities of a trading fund may make—
 - (a) provision for any part of the amount by which the values of the assets exceed the amounts of the liabilities to be treated as reserves in the accounts of the trading fund, and
 - (b) provision about the maintenance of such reserves.
 - (2) For the purposes of subsection (1) above “reserves” means reserves whether general, capital or otherwise; and an order may provide for different kinds of reserves.
 - (3) Nothing in subsection (1) above shall prejudice the operation of section 4(2) of this Act in relation to a trading fund; and nothing in section 4(2) of this Act shall prejudice the operation of subsection (1) above in relation to a trading fund.
 - (4) This section applies in relation to an order made after the day on which the Finance Act 1993 was passed.”
- (2) In section 2(3) (originating debt where fund established) in paragraph (b) after “capital” there shall be inserted “ or any amount treated by virtue of the order as reserves or (where the order provides for both public dividend capital and reserves) the aggregate of those amounts ”.
- (3) In section 2(4) (addition to originating debt where additional assets and liabilities appropriated to fund) in paragraph (b) after “capital” there shall be inserted “ for any amount treated by virtue of the order as reserves or (where the order provides for both public dividend capital and reserves) the aggregate of those amounts ”.

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Public dividend capital etc.

- 3 In section 2A (public dividend capital) the following subsection shall be inserted after subsection (2) (limited power of Minister to issue public dividend capital to fund)—

“(2A) If the responsible Minister considers it appropriate to do so, he may with Treasury concurrence issue out of money provided by Parliament an amount to the fund as public dividend capital; and this subsection shall have effect instead of subsection (2) above after the day on which the Finance Act 1993 was passed.”

Maximum borrowing etc.

- 4 (1) The following section shall be inserted after section 2B—

“2C Maximum borrowing etc.

- (1) Where an order made after the day on which the Finance Act 1993 was passed establishes a trading fund, the order shall provide that the aggregate of the following shall not exceed the maximum specified in the order—

- (a) the total outstanding at any given time in respect of amounts issued to the fund under section 2B of this Act (other than as originating debt), and
- (b) the total at that time constituting public dividend capital issued to the fund under section 2A(2A) of this Act;

and that maximum (or that maximum as varied by a subsequent order) shall be observed accordingly.

- (2) Where an order made on or before the day on which the Finance Act 1993 was passed establishes a trading fund, and the order specifies the maximum amount that may be issued to the fund under section 2B of this Act, the order shall be taken to provide that the aggregate of the following shall not exceed that maximum—

- (a) the total outstanding at any given time in respect of amounts issued to the fund under section 2B of this Act (other than as originating debt), and
- (b) the total at that time constituting public dividend capital issued to the fund under section 2A(2A) of this Act;

and that maximum (or that maximum as varied by a subsequent order) shall be observed accordingly.

- (3) The sum of the maxima in force in respect of all trading funds at any time shall not exceed £2,000 million.
- (4) The Treasury may by order made by statutory instrument increase or further increase the limit in subsection (3) above by any amount, not exceeding £1,000 million, specified in the order but not so as to make the limit exceed £4,000 million.
- (5) No order under subsection (4) above shall be made unless a draft of a statutory instrument containing it has been laid before the House of Commons and approved by a resolution of that House.”

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- (2) In section 2B (borrowing by funds) subsections (6) to (9) (which are superseded by the new section 2C) shall be omitted.

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