



# Crown Agents Act 1995

## 1995 CHAPTER 24

### *Vesting of property, &c. of Crown Agents in a successor company*

#### **1 Vesting of property, &c. of Crown Agents in a successor company**

- (1) On such day as the Secretary of State may by order appoint all property, rights and liabilities to which the Crown Agents for Oversea Governments and Administrations (referred to in this Act as “the Crown Agents”) were entitled or subject immediately before that day shall become by virtue of this section property, rights and liabilities of a company nominated for the purposes of this section by the Secretary of State.

References in this Act to the appointed day and to the successor company are to the day so appointed and the company so nominated.

- (2) The Secretary of State may, after consulting the Crown Agents, by order nominate for the purposes of this section any company formed and registered under the Companies Act 1985; but on the appointed day the company in question must be a company limited by shares which is wholly owned by the Crown.
- (3) References in this Act to property, rights and liabilities of the Crown Agents shall be construed as follows—
- (a) the references are to all property, rights and liabilities of the Crown Agents, whether or not capable of being transferred or assigned by them;
  - (b) references to property are to property of the Crown Agents whether situated in the United Kingdom or elsewhere; and
  - (c) references to rights or liabilities of the Crown Agents are to rights or liabilities under the law of the United Kingdom or of any part of the United Kingdom or under the law of any country or territory outside the United Kingdom.
- (4) An order appointing a day under subsection (1) or nominating a company for the purposes of this section may be varied or revoked by a subsequent order at any time before any property, rights or liabilities of the Crown Agents vest in a company by virtue of this section.
- (5) Schedule 1 has effect for the purpose of supplementing the provisions of this section.

## **2 Provisions with respect to capital structure**

- (1) The commencing capital debt assumed by the Crown Agents under section 17 of the Crown Agents Act 1979 shall be repaid; and the Secretary of State may give directions as to the time and manner of repayment.
- (2) If the Secretary of State so directs before the appointed day, the Crown Agents shall be deemed to assume a debt to the Secretary of State of such amount as may be specified in the direction.

The terms of the debt, including the terms as to the payment of interest and repayment, shall be such as the Secretary of State may from time to time determine.

- (3) Any sums received by the Secretary of State by virtue of subsection (1) shall be paid into the National Loans Fund; and any sums received by him by way of interest on or repayment of a debt assumed by virtue of subsection (2) shall be paid into the Consolidated Fund.
- (4) The approval of the Treasury is required for any exercise by the Secretary of State of the powers conferred by this section.

## **3 Initial Government holding in the successor company**

- (1) As a consequence of the vesting in the successor company by virtue of section 1 of property, rights and liabilities of the Crown Agents, the successor company shall issue to the Secretary of State such securities of the company as he may from time to time direct.
- (2) The Secretary of State shall not give a direction under subsection (1) after the successor company has ceased to be wholly owned by the Crown.
- (3) Securities to be issued in pursuance of this section shall be issued at such time or times, and on such terms, as the Secretary of State may direct.
- (4) Any shares issued in pursuance of this section shall be of such nominal value as the Secretary of State may direct.
- (5) The Secretary of State may not exercise any power conferred on him by this section or dispose of, for consideration or otherwise, any securities issued to him in pursuance of this section, without the consent of the Treasury.
- (6) Any dividends or other sums received by the Secretary of State in right of, or on the disposal of, any securities acquired by virtue of this section shall be paid into the Consolidated Fund.

## **4 Government investment in securities of the successor company**

- (1) The Secretary of State may, with the consent of the Treasury, at any time when the successor company is wholly owned by the Crown, acquire—
  - (a) securities of the successor company, or
  - (b) rights to subscribe for any such securities.
- (2) The Secretary of State may not dispose of, for consideration or otherwise, any securities or rights acquired by him by virtue of this section without the consent of the Treasury.

- (3) Any expenses incurred by the Secretary of State in consequence of the provisions of this section shall be paid out of money provided by Parliament.
- (4) Any dividends or other sums received by the Secretary of State in right of, or on the disposal of, any securities or rights acquired by virtue of this section shall be paid into the Consolidated Fund.

## **5 Provisions as to statutory accounts of successor company**

- (1) For the purposes of any statutory accounts of the successor company—
  - (a) all the property, rights and liabilities to which the Crown Agents were entitled or subject immediately before the end of their last financial year ending before the appointed day shall be taken to have vested in the successor company by virtue of section 1, and to have so vested immediately after the end of that year; and
  - (b) the value or amount (as at the time of vesting) of any asset or liability of the Crown Agents taken to have vested in the successor company by virtue of paragraph (a) shall be taken to be the value or (as the case may be) the amount assigned to that asset or liability for the purposes of the corresponding statement of accounts prepared by the Crown Agents in respect of the financial year referred to in paragraph (a).
- (2) For the purposes of any statutory accounts of the successor company the amount to be included in respect of any item shall be determined as if anything done by the Crown Agents (whether by way of acquiring, revaluing or disposing of any asset or incurring, revaluing or discharging any liability, or by carrying any amount to any provision or reserve, or otherwise) had been done by the successor company.
- (3) Accordingly, but without prejudice to the generality of the preceding provision—
  - (a) the amount to be included from time to time in any reserves of the successor company as representing its accumulated realised profits shall be determined as if any profits realised and retained by the Crown Agents had been realised and retained by the company; and
  - (b) the amount to be included in any such accounts as representing the accumulated realised losses of the successor company shall be determined as if any losses realised by the Crown Agents had been realised by the company.
- (4) References in this section to the statutory accounts of the successor company are to any accounts prepared by the successor company for the purposes of any provision of the Companies Act 1985 (including group accounts).

## **6 Use of “Crown Agents” as part of company name**

The words “Crown Agents” may, notwithstanding anything in section 26(2)(a) of the Companies Act 1985 (prohibition of name giving impression of connection with Her Majesty’s Government), be used as part of the name of—

- (a) the successor company,
- (b) any company of which the successor company is a wholly-owned subsidiary, or,
- (c) any subsidiary of the successor company or any such company;

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

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and the power conferred by section 32 of that Act (power to require company to abandon misleading name) shall not apply in relation to the use of those words as part of the name of any such company.

## 7 Corporation tax

- (1) The successor company shall be treated for all purposes of corporation tax as if it were the same person as the Crown Agents.
- (2) The existence or exercise of the powers of the Secretary of State under section 1 shall not be regarded as constituting or creating arrangements within the meaning of section 410 of the Income and Corporation Taxes Act 1988 (arrangements for the transfer of a company to another group or consortium) or as constituting or creating option arrangements for the purposes of paragraph 5B of Schedule 18 to that Act.
- (3) Any debt assumed under section 2 shall be treated for the purposes of the Corporation Tax Acts as if it had been assumed—
  - (a) wholly in consideration of a loan made to the Crown Agents of an amount equal to the principal sum payable under the debt, and
  - (b) wholly and exclusively for the purposes of the trade carried on by them.

If the terms of any such debt include provision for the payment of a sum expressed as interest in respect of a period which falls wholly or partly before the debt was assumed, any payment made in pursuance of that provision in respect of that period shall be treated for the purposes of the Corporation Tax Acts as if the debt had been assumed at the commencement of that period and, accordingly, as interest on the principal sum payable under the debt.

- (4) Any security (other than a share) issued by the successor company in pursuance of section 3 shall be treated for the purposes of the Corporation Tax Acts as if it had been issued—
  - (a) wholly in consideration of a loan made to the company of an amount equal to the principal sum payable under the security, and
  - (b) wholly and exclusively for the purposes of the trade carried on by that company.

If the terms of any such security include provision for the payment of a sum expressed as interest in respect of a period which falls wholly or partly before the security was issued, any payment made in pursuance of that provision in respect of that period shall be treated for the purposes of the Corporation Tax Acts as if the security had been issued at the commencement of that period and, accordingly, as interest on the principal sum payable under the security.

- (5) Any share issued by the successor company in pursuance of section 3 shall be treated for the purposes of the Corporation Tax Acts as if it had been issued wholly in consideration of a subscription paid to the company of an amount equal to the nominal value of the share.

## *Dissolution of Crown Agents*

### **8 Residual functions and dissolution of Crown Agents**

- (1) The Crown Agents shall continue in existence after the appointed day for the purpose of performing the functions conferred on them by sections 9 and 10 (vesting of foreign property, &c. and final reports and accounts).

The period of their continued existence after the appointed day is referred to below as “the transitional period”.

- (2) During the transitional period—
- (a) section 1(3) of the Crown Agents Act 1979 (constitution of the Crown Agents: number of members) shall have effect as if for “not less than six” there were substituted “not less than two”;
  - (b) at any time when there are only two members of the Crown Agents it shall not be incumbent upon the Secretary of State to appoint one of those members as deputy chairman; and
  - (c) no remuneration shall be payable to any member of the Crown Agents.
- (3) Any expenses incurred by the Crown Agents during the transitional period shall be met by the successor company.
- (4) Once the Secretary of State is satisfied that the functions of the Crown Agents under sections 9 and 10 below are substantially discharged, he may, after consulting the Crown Agents and the successor company, by order dissolve the Crown Agents on a day specified in the order.

### **9 Functions with respect to vesting of foreign property, &c. in successor company**

- (1) It shall be the duty of the Crown Agents and of the successor company to take, as and when during the transitional period the successor company considers appropriate, all such steps as may be requisite to secure that the vesting in the successor company by virtue of this Act of any foreign property, right or liability is effective under the relevant foreign law.
- (2) Until the vesting in the successor company by virtue of this Act of any foreign property, right or liability is effective under the relevant foreign law, it shall be the duty of the Crown Agents during the transitional period to hold that property or right for the benefit of, or to discharge that liability on behalf of, the successor company.
- (3) Nothing in subsections (1) and (2) shall be taken as prejudicing the effect under the law of the United Kingdom, or of any part of the United Kingdom, of the vesting in the successor company by virtue of this Act of any foreign property, right or liability.
- (4) The Crown Agents shall have all such powers as may be requisite for the performance of their duties under this section; but—
- (a) it shall be the duty of the successor company during the transitional period to act on behalf of the Crown Agents (so far as possible) in performing the duties imposed on the Crown Agents by this section, and
  - (b) any foreign property, rights and liabilities acquired or incurred by the Crown Agents during that period shall immediately become property, rights and liabilities of the successor company.

- (5) References in this section to any foreign property, right or liability are to any property, right or liability as respects which any issue arising in any proceedings would have been determined (in accordance with the rules of private international law) by reference to the law of a country or territory outside the United Kingdom.

## **10 Final reports and accounts of Crown Agents**

- (1) Notwithstanding the repeal of section 11 of the Crown Agents Act 1979 (annual reports to the Secretary of State)—
- (a) it shall continue to be the duty of the Crown Agents to make a report to the Secretary of State in accordance with that section in respect of each accounting year of the Crown Agents ending before the appointed day; and
  - (b) the Secretary of State shall lay a copy of any such report before each House of Parliament.
- (2) Notwithstanding the repeal of section 22 of the Crown Agents Act 1979 (accounts of the Crown Agents and audit)—
- (a) it shall continue to be the duty of the Crown Agents to prepare such statements of accounts as are mentioned in subsection (1) of that section in respect of each accounting year of the Crown Agents ending before the appointed day; and
  - (b) that section shall continue to apply during the transitional period in relation to those accounts and in relation also to the auditing of accounts kept in accordance with subsection (1) of that section in respect of each such accounting year.

### *Crown Agents Holding and Realisation Board*

## **11 Constitution, &c. of the Board after the appointed day**

- (1) The following provisions have effect in relation to the Crown Agents Holding and Realisation Board as from the appointed day.
- (2) In section 25 of the Crown Agents Act 1979, for subsection (2) substitute—
- “(2) The Board shall consist of not less than two nor more than ten members appointed by the Secretary of State; and the Secretary of State shall appoint one member to be the chairman, and another member to be the deputy chairman, of the Board.”.
- (3) For paragraph 1 of Schedule 5 to the Crown Agents Act 1979 substitute—

### *“Appointment and tenure of members*

- 1 Paragraphs 1 to 6 of Schedule 1 shall apply to the Board as they apply to the Crown Agents.”.

- (4) For paragraph 2 of Schedule 5 to the Crown Agents Act 1979 substitute—

*“Remuneration, &c.*

- 2 (1) The Board shall pay to each of their members such remuneration and such reasonable allowances in respect of expenses as the Secretary of State may determine.
- (2) If the Secretary of State so determines in the case of a person who is or has been a member of the Board, the Board shall pay or make arrangements for the payment of such pension to or in respect of that person as the Secretary of State may determine.
- (3) Where a person ceases to be a member of the Board otherwise than on the expiry of his term of office and it appears to the Secretary of State that there are special circumstances which make it right for that person to receive compensation, the Secretary of State may direct the Board to make to that person a payment of such amount as the Secretary of State may determine.”.
- (5) For paragraph 4 of Schedule 5 to the Crown Agents Act 1979 substitute—

*“Performance of functions*

- 4 The Board may authorise any person to perform on behalf of the Board any of the Board’s functions, other than a function in respect of which the Secretary of State has instructed the Board that no such authorisation is to be given.”.
- (6) In paragraph 7(4)(b) of Schedule 5 to the Crown Agents Act 1979 for “the officer of the Crown Agents acting for the Board who so corresponds” substitute “the Chairman of the Board”.
- (7) In paragraph 8 of Schedule 5 to the Crown Agents Act 1979, in sub-paragraph (3) (ancillary powers exercisable with consent of Secretary of State), after paragraph (g) insert—
- “(h) to employ staff;
  - (i) to incur expenses in respect of office accommodation, office equipment or other office facilities;
  - (j) to engage the services of any person as consultant or adviser to the Board.”;
- and omit sub-paragraphs (4) and (5).
- (8) The repeal by this Act of any provision of the Crown Agents Act 1979 relating to the Crown Agents which is applied by any provision of that Act in relation to the Crown Agents Holding and Realisation Board does not affect its continued operation as so applied.

*Supplementary provisions*

**12 Orders**

- (1) An order under this Act may contain such supplementary, incidental or transitional provisions as appear to the Secretary of State to be expedient.

- (2) Any power to make an order under this Act is exercisable by statutory instrument.

### **13 Consequential amendments and repeals**

- (1) As from the appointed day the House of Commons Disqualification Act 1975 is amended as follows—

- (a) in Part III of Schedule 1 (other disqualifying offices) insert at the appropriate place—

“Director of the successor company (within the meaning of the Crown Agents Act 1995) being a director nominated or appointed by a Minister of the Crown or by a person acting on behalf of the Crown”; and

- (b) in Part II of that Schedule (bodies of which all members are disqualified) insert at the appropriate place—

“The Crown Agents Holding and Realisation Board”.

Corresponding amendments shall be made in Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975.

- (2) The enactments specified in Schedule 2 are repealed to the extent specified.

The repeals in Part I of that Schedule come into force on the appointed day; and the repeals in Part II of that Schedule come into force on the dissolution of the Crown Agents.

- (3) The Secretary of State may by order make such consequential amendments or revocations of subordinate legislation within the meaning of the Interpretation Act 1978 as appear to him necessary or expedient in consequence of this Act.

Any order under this subsection shall be subject to annulment in pursuance of a resolution of either House of Parliament.

### **14 Interpretation**

In this Act—

“the appointed day” means the day appointed under section 1(1);

“the Crown Agents” means the body corporate established by section 1 of the Crown Agents Act 1979 by the name of the Crown Agents for Oversea Governments and Administrations;

“securities”, in relation to the successor company, includes shares, debentures, bonds and other securities of the company, whether or not constituting a charge on the assets of the company;

“subsidiary” and “wholly-owned subsidiary” shall be construed in accordance with section 736 of the Companies Act 1985;

“the successor company” means the company nominated for the purposes of section 1; and

“the transitional period”, in relation to the Crown Agents, has the meaning given by section 8(1).

### **15 Citation and extent**

- (1) This Act may be cited as the Crown Agents Act 1995.



(2) This Act extends to Northern Ireland.