

*These notes refer to the Scotland Act 1998 (c.46)
which received Royal Assent on 19th November 1998*

SCOTLAND ACT 1998

EXPLANATORY NOTES

SCHEDULES

Schedule 5

Part II: Preliminary paragraphs

Head C: Trade and Industry

Section C15: Protection of Trading and Economic Interests

Purpose and Effect

This Section reserves the protection of trading and economic interests.

General

The purpose of legislation on this subject is to protect individuals and businesses from the laws of other states where they purport to have effect outside the country where the laws are made. Provisions under such legislation may prohibit certain actions in the UK in compliance with objectionable foreign laws. For example, legislation may prevent the enforcement in the UK of foreign judgements or provide remedies in UK courts for persons adversely affected by the application abroad of objectionable foreign laws.

In addition, the protection of the UK's economic interests from the actions of Governments or persons resident outside the UK is reserved.

Court procedure, judicial remedies and the reciprocal enforcement of foreign judgements generally is not reserved.

Parliamentary Consideration

<i>Stage</i>	<i>Date</i>	<i>Column</i>
CC	10-Feb-98	205
L3	9-Nov-98	609

Details of Provisions

This Section reserves the subject-matter of the following enactments:

- (a) *section 2 of the Emergency Laws (Re-enactments and Repeals) Act 1964*. This section gives the Treasury power to block the transfer of funds, gold or securities where that action is likely to be taken by a person or Government outside the UK to the detriment of the economic position of the UK.
- (b) *part II of the Industry Act 1975*. This deals with powers relating to the transfer of control of important manufacturing undertakings and is intended to cover cases where it is undesirable on wider policy grounds for assets of wider national importance to fall into

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the hands of non-residents. The Secretary of State for Trade and Industry can prohibit or restrict such change in control of manufacturing operations which appear to be of special importance to the United Kingdom or to any substantial part of the United Kingdom.

- (c) *the Protection of Trading Interests Act 1980*. This Act sets out the main provisions concerning protection of trading or other business interests of persons in the UK from requirements, prohibitions or judgements imposed or made under the laws of other states.

Executive Devolution

The following functions have been included in the Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 1999 ([S.I. 1999/1750](#)).

The Industry Act 1975 (c.68) , Schedule 3, paragraph 24	The function of the Secretary of State in making rules in relation to Scottish proceedings of an Industry Act tribunal.
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