



# Transport Act 1962

## 1962 CHAPTER 46

### PART II

#### DIVISION OF COMMISSION'S UNDERTAKING

##### *Property and functions*

#### **31 Distribution of Commission's assets**

- (1) Subject to this Act, on such date as the Minister may by order contained in a statutory instrument appoint (in this Act referred to as " the vesting date ") all the property, rights and liabilities of the Commission shall by virtue of this Act be transferred to and vest in the Boards and the Holding Company in accordance with this Part of this Act; and the property, rights and liabilities so transferred shall by virtue of this Act vest in those bodies respectively.
- (2) There shall be transferred to the Railways Board the property, rights and liabilities comprised in the part of the Commission's undertaking which constitutes—
  - (a) the Commission's railway system, except for so much of it as is carried on through or managed by the London Transport Executive or is within any of the harbours listed in Part II or Part III of the Third Schedule to this Act,
  - (b) the shipping services provided by the Commission in exercise of the powers conferred on them by the Railway Shipping Acts as defined in paragraph 2 of Part II of the Second Schedule to this Act,
  - (c) the harbours listed or described in Part I of the Third Schedule to this Act,
  - (d) the road passenger services provided by the Commission, except those carried on through or managed by the London Transport Executive,
  - (e) the British Transport Commission Police Force, and
  - (f) the Commission's Historical Records Department, the department for which their Curator of Historical Relics is responsible and their Films Service,and any property, rights and liabilities not falling to be transferred under any other provision in this Act.

---

*Status: This is the original version (as it was originally enacted).*

---

- (3) There shall be transferred to the London Board the property, rights and liabilities comprised in the part of the Commission's undertaking which is carried on through, or managed by, the London Transport Executive.
- (4) There shall be transferred to the Docks Board the property, rights and liabilities comprised in the part of the Commission's undertaking constituted by the harbours listed in Part II of the Third Schedule to this Act.
- (5) There shall be transferred to the British Waterways Board the property, rights and liabilities comprised in the part of the Commission's undertaking constituted by—
- (a) their inland waterways (other than the Lower Ouse Improvement, which under the last foregoing subsection vests in the Docks Board), and
  - (b) the harbours listed in Part III of the Third Schedule to this Act.
- (6) Notwithstanding anything in the foregoing provisions of this section, there shall be transferred to—
- the Railways Board,
  - the Docks Board,
  - the British Waterways Board, and
  - the Holding Company,
- the securities of the bodies listed in Parts I, II, III and IV of the Fourth Schedule to this Act respectively (so far as beneficially owned by the Commission), and the rights and liabilities specified in Part V of that Schedule so, however, that where such securities are beneficially owned by the Commission, but held by a nominee, this subsection shall operate only to transfer the beneficial interest in the securities.
- The references in this subsection to Parts I, II, III and IV of the Fourth Schedule to this Act shall have effect subject to Part VI of that Schedule.
- (7) Notwithstanding anything in the foregoing provisions of this section, there shall be transferred to the Boards and the Holding Company the property, rights and liabilities of the Commission specified for them respectively in the Fifth Schedule to this Act.
- (8) Any property, rights or liabilities held or subsisting partly for the purpose of a part of the Commission's undertaking which is under this Part of this Act transferred to one Board, and partly for the purpose of a part which is transferred to another Board, shall—
- (a) where the nature of the property, right or liability permits, be divided or apportioned between those Boards in such proportions as may be just, and
  - (b) in any other case, be transferred to those Boards jointly,
- and, where any estate or interest in land falls to be so divided, any rent payable under a lease in respect of that estate or interest, and any rent charged on that estate or interest, shall be correspondingly apportioned or divided so that the one part is payable in respect of, or charged on, only the one part of the estate or interest and the other part is payable in respect of, or charged on, only the other part of the estate or interest.
- (9) The last foregoing subsection shall apply, with any necessary modifications, in relation to any feu duty payable in respect of an estate or interest in land in Scotland, as it applies in relation to any rent charged on an estate or interest in land.

## **32 Distribution of Commission's statutory functions**

- (1) The provisions of the Second Schedule to this Act shall as from the vesting date have effect with respect to the distribution among the Boards of the Commission's functions under the enactments there mentioned.
- (2) Subject to that Schedule, and to any other provision in this Act, the functions of the Commission under any statutory provision, other than the Transport Act, 1947, the Transport Act, 1953, and this Act, shall be transferred to the Board or Boards specified in the following provisions of this section.
- (3) If and so far as the statutory provision relates to an undertaking, or a part of an undertaking, or property transferred to a Board by this Part of this Act, the functions of the Commission under that statutory provision shall be transferred to that Board.
- (4) If and so far as the statutory provision authorises the carrying out of works designed to be used in connection with an undertaking or part of an undertaking transferred to a Board, or the acquisition of land for the purpose of carrying out such works, the functions of the Commission under that statutory provision shall be transferred to that Board.
- (5) If the statutory provision authorises the Commission to appoint, nominate, or concur in or approve the appointment or nomination of, a member of some body or the holder of some other office.—
  - (a) this Act shall not affect the tenure of office of any person appointed or nominated under the statutory provision before the vesting date, and
  - (b) subject to that, the functions of the Commission under the statutory provision shall be transferred to such Board as the Minister may direct by order contained in a statutory instrument.

An order under this subsection may provide for the function so transferred being exercised jointly by two or more Boards or separately by two or more Boards.

- (6) Subject to the foregoing provisions of this section, the functions of the Commission under any statutory provision, other than the Transport Act, 1947, the Transport Act, 1953, and this Act, shall be transferred to the Railways Board.
- (7) In this section references to the Commission include references to any Executive of the Commission, and references to statutory provisions include those passed or made between the passing of this Act and the vesting date.

## **33 The Commission's hotel property**

- (1) The Commission shall as soon as practicable after the passing of this Act arrange for the Commission's hotels to be transferred to a subsidiary of the Commission, that is to say—
  - (a) for the necessary steps to be taken under the Companies Act, 1948, for the formation of a company limited by shares which will be a subsidiary of the Commission and the objects of which will include the acquisition of the part of the Commission's undertaking constituted by their hotels, and
  - (b) for the transfer by the Commission, in consideration of the issue of shares in the company to the Commission, of that part of their undertaking to the company.

---

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

---

- (2) The arrangements shall provide for the company taking either a freehold interest or leasehold interest in any hotel as may be appropriate, and the Commission shall endeavour to complete the arrangements under this section so far as practicable before the vesting date.
- (3) The Minister may give to the Commission directions as to what is to be included in the property and interests to be transferred to the subsidiary (which is in this Act referred to as " the Hotel Company") and the Commission shall before concluding the arrangements give to the Minister particulars of the property and interests which they propose to transfer under the arrangements.
- (4) On the vesting date there shall be transferred to and vest in the Railways Board by virtue of this Act—
- (a) the shares issued by the Hotel Company and owned by the Commission (so, however, that as respects securities beneficially owned by the Commission, but held by a nominee, this subsection shall operate only to transfer the beneficial interest in the securities), and
  - (b) any land which is subject to a lease granted by the Commission to the Hotel Company, and
  - (c) all rights and liabilities of the Commission enforceable against the Hotel Company, or by the Hotel Company, and in particular, all the rights and liabilities of the Commission under any contract for sale or lease to the Hotel Company, and
  - (d) the property, rights and liabilities of the Commission in the part of the undertaking to be transferred under this section to the Hotel Company so far as the transfer has not taken effect before the vesting date,
- and it shall be the duty of the Railways Board after the vesting date to complete the arrangements made by the Commission with the Hotel Company in pursuance of this section.
- (5) In the application of this section to Scotland—
- (a) in subsection (2), for the words " either a freehold interest or leasehold interest " there shall be substituted the words " either the Commission's whole interest or the interest of the vassal under a feu granted by the Commission or the interest of the lessee under a lease granted by the Commission "; and
  - (b) paragraphs (b) and (c) of subsection (4) shall apply in relation to a feu, or an agreement to feu, granted by the Commission to the Hotel Company as they apply in relation to a lease so granted.

### **34      Transfer of staff**

- (1) The foregoing provisions of this Part of this Act shall not apply to rights and liabilities under an agreement for the rendering of personal services by any person (hereinafter referred to as " an employee ").
- (2) The rights and liabilities of the Commission under any such agreement with an employee who immediately before the vesting date is employed exclusively for the purposes of any part of the Commission's undertaking transferred to the Railways Board, the Docks Board, or the British Waterways Board shall be transferred to that Board.

---

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

---

- (3) The rights and liabilities of the Commission under such an agreement with an employee who immediately before the vesting date is by virtue of paragraph (b) of subsection (9) of section five of the Transport Act, 1947, treated as being in the employment of the London Transport Executive shall be transferred to the London Board.
- (4) The rights and liabilities of the Commission under any agreement with an employee who immediately before the vesting date is employed exclusively for the purposes of the part of the Commission's undertaking passing to the Hotel Company shall be transferred to the Hotel Company.
- (5) The rights and liabilities of the Commission under any agreement with an employee who immediately before the vesting date is employed wholly or mainly for the purposes of the business of any of the bodies listed in Part IV of the Fourth Schedule to this Act shall be transferred to the Holding Company.

The reference in this subsection to Part IV of the Fourth Schedule to this Act shall have effect subject to Part VI of that Schedule.

- (6) The rights and liabilities of the Commission under any other such agreement shall be transferred to the Railways Board.
- (7) The Boards may before the vesting date enter into any arrangements with the Commission and any employee of the Commission for the determination of the employee's agreement on or before the vesting date and for the conclusion of a new agreement between the Board and the employee for the rendering of services to the Board, and the Commission may become a party to any arrangements between any of the Boards, or any other employer, and any of the Commission's employees for the transfer of those employees from the Commission to the new employer on or before the vesting date.
- (8) Any right to services transferred by this section shall have effect on and after the vesting date as a right not only to the service to which the agreement relates but also to any reasonably comparable service under the Board or company, to be selected by that body.

Any dispute between a Board or company and the other party to a service agreement as to what are reasonably comparable services for the purposes of this subsection may be reported to the Minister of Labour by the Board or company or the other party to the agreement and, if a dispute so reported is not otherwise disposed of, that Minister shall refer it for determination by the industrial court.

- (9) Any of the Boards and the said companies, and any person who is a party to any agreement which is modified by this section, may apply to the Minister to determine to which of the Boards or companies the rights and liabilities under any such agreement are transferred and the Minister's decision on the application shall be final.

### **35 Supplementary provisions relating to distribution of Commission's undertaking**

- (1) The Sixth Schedule to this Act (which contains further provisions regarding the distribution of the Commission's undertaking) shall have effect for the purposes of this Act.

---

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

---

- (2) In the said Schedule the expression "the principal sections " means the foregoing sections of this Part of this Act, and references to those sections include references to any Schedule to this Act referred to in those sections.

*Capital debts and other financial provisions*

**36 Treasury to take over liability for Transport Stock**

- (1) Subject to this section, all the rights and liabilities which, under the terms of issue of the stock created and issued under section eighty-nine of the Transport Act, 1947, were immediately before the vesting date rights and liabilities of the Commission shall, as from the vesting date, be rights and liabilities of the Treasury and as from the vesting date the said stock (which consists of the issues set out in the first column of the following Table and which is in this and the next following section referred to as " the Stock ") shall be renamed as shown in the second column of that Table.

TABLE

<i>Old name</i>	<i>New name</i>
British Transport 3 % Guaranteed Stock, 1967-72.	British Transport 3% Stock, 1967-72.
British Transport 3 % Guaranteed Stock, 1968-73.	British Transport 3% Stock, 1968-73.
British Transport 4 % Guaranteed Stock, 1972-77.	British Transport 4% Stock, 1972-77.
British Transport 3 % Guaranteed Stock, 1978-88.	British Transport 3% Stock, 1978-88.

- (2) Notwithstanding anything in this section, the Stock shall be regarded on and after the vesting date as the same stock and held in the same right and on the same trusts and subject to the same powers, privileges, charges, restraints and liabilities as before, and any provision of any deed, will, disposition or other instrument which immediately before the vesting date was applicable to any such Stock shall continue to be applicable to the same Stock as re-named under this section.
- (3) As from the vesting date the Stock shall, subject to this section, be deemed for all purposes to have been created and issued under the National Loans Act, 1939, and that Act and any other enactment, regulation or rule relating to securities issued under that Act shall apply accordingly to the Stock.
- (4) Not later than the vesting date the Commission shall pay to the Treasury an amount equal to the interest (without any deduction for income tax) which has accrued on the Stock in the period from the date when the last instalment of interest became payable on the Stock down to the vesting date (making separate calculations for any issues of the Stock with different interest dates), and that amount shall be paid into the Exchequer and shall be issued out of the Consolidated Fund at such times as the Treasury may direct and shall be applied towards meeting such part of the annual charges for the National Debt as represents interest.

Any question arising between the Commission and the Treasury as to the manner in which interest accrued on the Stock is to be calculated shall be determined by the Treasury.

- (5) Not later than the vesting date the Commission shall pay to the Bank of England a sum equal to the amounts accrued due in respect of unclaimed interest on British Transport Guaranteed Stock before the vesting date (after deduction of income tax), including amounts applied under paragraph (2) of regulation 20 of the British Transport Stock Regulations, 1947, but excluding any amounts represented by money in the hands of the Bank of

The Bank of England shall deal with the money so paid to them, and with the money already in their hands which represents such unclaimed interest, as money entrusted to them for payment to holders of the Stock and section five of the Miscellaneous Financial Provisions Act, 1955 (which relates to unclaimed dividends on Government Stock), shall apply accordingly.

- (6) Any unclaimed Stock which is held by the Commission immediately before the vesting date on behalf of persons who became entitled thereto in substitution for securities of the bodies whose undertakings were transferred to the Commission by the Transport Act, 1947, shall be held on and after that date on behalf of those persons by the National Debt Commissioners ; and each of the Boards shall give to the Commissioners such information and such assistance as the Commissioners may reasonably require in connection with any claim to that Stock.
- (7) The transitional provisions set out in Part I of the Seventh Schedule to this Act shall apply in relation to the Stock.
- (8) On the vesting date section eighty-nine of the Transport Act, 1947, and the regulations made under that section shall cease to have effect, but this subsection shall not affect the rights and liabilities transferred to the Treasury under subsection (1) of this section.

### **37 Transfer of redemption funds**

- (1) Subsection (1) of the last foregoing section shall not impose on the Treasury any liability to establish or maintain any redemption fund, and—
- (a) the cash and investments which immediately before the vesting date represent the Redemption Fund established under the British Transport Stock Regulations, 1947, and
  - (b) the right to receive any interest or dividends which are payable in respect of any such investments but which have not been received by the Commission before the vesting date,
- shall vest by virtue of this subsection in the Treasury or in such nominees as the Treasury may appoint.
- (2) Not later than the vesting date the Treasury shall pay to the Commission out of the Consolidated Fund an amount equal to the interest or dividends (without any deduction of income tax) which have accrued on the investments transferred under the foregoing subsection in the period from the date when the last instalment of interest became payable on those investments respectively down to the vesting date (making separate calculations for different investments).

---

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

---

Any question arising between the Commission and the Treasury as to the manner in which accrued interest or dividends are to be calculated shall be determined by the Treasury.

- (3) Such of the investments transferred from the Commission under subsection (1) of this section as are securities the principal of and interest on which are charged on the Consolidated Fund shall be cancelled, and the remainder of those investments shall be sold.
- (4) The net proceeds of the sale, and all other sums received by the Treasury or their nominees by virtue of this section shall be paid into the Exchequer and shall be issued out of the Consolidated Fund at such times as the Treasury may direct and applied by the Treasury in redeeming or paying off debt of such description as the Treasury see fit.

### **38 Extinction of liability of the Commission for certain Exchequer advances**

On the vesting date all the liabilities of the Commission in respect of advances made to them by the Minister under section forty-two of the Finance Act, 1956, and under section two of the Transport (Railway Finances) Act, 1957, shall be extinguished.

### **39 Commencing capital debts of the new bodies**

- (1) Each of the Boards, and the Holding Company, shall severally assume, on the transfer to them by this Act of their part of the property, rights and liabilities of the Commission, a debt due to the Minister on such terms as may be imposed under this section.

The said debts are in this Act referred to as the "commencing capital debts".

- (2) The amount of the commencing capital debts taken together shall be equal to—
  - (a) the nominal value of all the stock to which subsection(1) of section thirty-six of this Act applies, and
  - (b) the amount of the liability extinguished by the last foregoing section, and
  - (c) the amount of the Capital Redemption Accounts as shown in the final accounts of the Commission,

with the deduction to be made under the next following subsection.

- (3) The amount to be deducted under the last foregoing subsection shall be—
  - (a) the total shown in the special account under section three of the Transport (Rail-way Finances) Act, 1957, as included in the final accounts of the Commission, and
  - (b) the amount shown in the final accounts of the Commission in respect of the total discounts on the issue of British Transport Guaranteed Stock, less premiums on issue and less amounts written off, and
  - (c) the amount shown in the final accounts of the Commission in respect of the book value of the cash and investments which are under paragraph (a) of subsection (1) of section thirty-seven of this Act to be transferred to the Treasury,

after deducting from the total of the amounts under paragraph (a), paragraph (b) and paragraph (c) of this subsection—

- (i) the amount shown in the final accounts of the Commission in respect of the net surplus on revenue account for the Commission's activities, excluding British



---

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

---

Railways, for the period from the beginning of the year nineteen hundred and fifty-six to the end of the period for which the final accounts of the Commission are made up, and

- (ii) the sums paid by the Minister to the Commission by way of grant to meet deficits on revenue account, being sums paid out of money provided by Parliament since the beginning of April, nineteen hundred and sixty (and including sums so paid under Part IV of this Act).
- (4) The commencing capital debt of each of the said bodies shall be such part of the total ascertained under subsection (2) of this section as the Minister may prescribe having regard to the manner in which the Commission's property, rights and liabilities are by this Act divided among those bodies.
- (5) The Minister's power of prescribing the amount mentioned in the last foregoing subsection shall be exercisable by order, and he shall make such an order as soon as may be after the vesting date but may from time to time, but not more than five years after the vesting date, vary an order under this subsection by a further order, where that appears to him expedient to take account of some change in the manner in which the Commission's property, rights and liabilities are so divided (whether in consequence of an order under the Sixth Schedule to this Act or otherwise), and any such order may contain such transitional provisions as appear to him expedient to take account of any interest underpaid or overpaid on the commencing capital debt of any of the said bodies.

The Minister's power of making orders under this section shall be subject to the approval of the Treasury and shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the Commons House of Parliament.

- (6) Subject to the next following section, the rate of interest payable on the commencing capital debt of each of the said bodies, the time when the principal is to be paid off and the other terms of the debt shall be such as the Minister may with the approval of the Treasury from time to time direct.
- (7) The Minister may, in the period before the first order is made under subsection (5) of this section, estimate what the commencing capital debt of the Boards and of the Holding Company will be, and require those bodies to make to him provisional payments by way of interest on those estimated amounts; and those provisional payments shall be on account of the payments of interest becoming due under subsection (6) of this section.
- (8) Any sums received by the Minister by way of interest on, or repayment of, the commencing capital debt of any of the Boards or of the Holding Company shall be paid into the Exchequer and shall be issued out of the Consolidated Fund at such times as the Treasury may direct and applied by the Treasury as follows, that is to say—
- (a) so much thereof as represents principal shall be applied in redeeming or paying off debt of such description as the Treasury see fit, and
  - (b) so much thereof as represents interest shall be applied towards meeting such part of the annual charges for the National Debt as represents interest.

#### **40 Railways Board's suspended debt**

- (1) Part of the commencing capital debt of the Railways Board shall be called the suspended debt, and shall not carry any interest, and shall not be required to be paid off at a fixed time unless and until the Minister otherwise directs.

---

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

---

The Minister may give a direction under this subsection either as regards the whole of the suspended debt, or as regards a part of the suspended debt, and where he gives a direction as regards a part of the suspended debt he may from time to time vary the direction so as to increase the part of the suspended debt which is repayable and carries interest.

- (2) The amount of the suspended debt shall be that part of the commencing capital debt which, in the opinion of the Minister, is not represented by the written-down book value of the assets which have been created by the Commission since the end of the year nineteen hundred and fifty-five and which vest in the Railways Board under this Part of this Act, and the Minister shall direct what that amount shall be:

Provided that the Minister may vary a direction under this subsection by a further direction, where that appears to him expedient to take account of any order under subsection (5) of the last foregoing section which varies the commencing capital debt of the Railways Board.

- (3) For the purposes of the last foregoing subsection any securities which vest in the Railways Board under this Part of this Act shall be treated as if they were assets created by the Commission since the end of the year nineteen hundred and fifty-five.

- (4) If at any time the Railways Board satisfy the Minister—

- (a) that an amount equal to the whole or any part of the net book value of an asset which is transferred to the Railways Board under or in pursuance of this Part of this Act could have been properly written off by the Commission, and that the Board have at any time properly taken account of that fact in their accounts, or
- (b) that at any time after the vesting date an asset which is so transferred to the Railways Board has gone out of use and that the Board have properly taken account of that fact by writing off an amount not exceeding the net book value of that asset in their books, and by adjusting their accounts accordingly,

the Minister may, if he thinks fit, direct that a specified amount of the suspended debt, not exceeding the amount mentioned in paragraph (a) or paragraph (b) of this subsection as the case may be, shall be extinguished.

- (5) Any direction under this section shall be given by the Minister by an order made with the approval of the Treasury by statutory instrument which shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.

### *Miscellaneous*

#### **41 Exemptions from stamp duty**

- (1) Nothing in section twelve of the Finance Act, 1895 (which requires Acts to be stamped as conveyances on sale in certain cases), or in section fifty-two of the Finance Act, 1946 (which exempts from stamp duty certain documents connected with nationalisation schemes), shall be taken as applying to this Act.
- (2) Stamp duty shall not be chargeable under section one hundred and twelve of the Stamp Act, 1891, in respect of—
- (a) the amount which is to form the nominal share capital of the Hotel Company, or
  - (b) any increase in the nominal share capital of that company,

to the extent to which it is certified to the Commissioners of Inland Revenue by the Commission or the Railways Board that the said capital, or, in the case of any increase, the said capital as so increased, does not exceed the total value of the assets less liabilities to be transferred to that company in pursuance of section thirty-three of this Act.

- (3) Stamp duty shall not be chargeable on any instrument which is certified to the Commissioners of Inland Revenue by the Commission or any of the Boards as having been made or executed in pursuance of section thirty-three of this Act or paragraph 1 of the Sixth Schedule to this Act:

Provided that no such instrument shall be deemed to be duly stamped unless either it is stamped with the duty to which it would but for this subsection be liable or it has, in accordance with the provisions of section twelve of the Stamp Act, 1891, been stamped with a particular stamp denoting that it is not chargeable with any duty or that it is duly stamped.

- (4) If before the vesting date the Commission cause any company limited by shares to be formed under the Companies Act, 1948, and any assets to be transferred to that company, for the purpose of facilitating the transfers to be effected by this Part of this Act—

- (a) stamp duty shall not be chargeable under section one hundred and twelve of the Stamp Act, 1891, in respect of the amount which is to form the nominal share capital of the company, if it is certified to the Commissioners of Inland Revenue by the Commission that the company is formed for the purpose mentioned in this subsection and that the said amount does not exceed the total value of the assets less liabilities to be transferred to the company; and
- (b) stamp duty shall not be chargeable on any instrument which is certified to the Commissioners of Inland Revenue by the Commission as having been made for effecting any transfer of assets for the purpose mentioned in this subsection:

Provided that no such instrument as is mentioned in paragraph (b) of this subsection shall be deemed to be duly stamped unless it is stamped with the duty to which it would but for this subsection be liable or it has, in accordance with the provisions of section twelve of the Stamp Act, 1891, been stamped with a particular stamp denoting that it is not chargeable with any duty or that it is duly stamped.

## **42 Income tax: provisions for determining capital allowances for the Boards**

- (1) Subject to this section, Part X and Part XI of the Income Tax Act, 1952 (which confer relief from income tax in respect of certain capital expenditure), shall apply as if—
- (a) all the assets which under and in pursuance of this Part of this Act are respectively transferred to the Boards had been sold to them by the Commission on the vesting date in the open market at prices equal to the net book values of those assets (that is to say the values after deducting any provision for maintenance equalisation and for any form of depreciation) as shown in the books by reference to which the final accounts of the Commission are made up, and
- (b) on the vesting date the trade carried on by the Commission had been permanently discontinued and the Boards had set up new trades.

---

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

---

- (2) If at any time the Minister directs under subsection (4) of section forty of this Act, and by reference to paragraph (a) of that subsection, that a part of the Railways Board's suspended debt shall be extinguished, this section shall apply, and shall be deemed always to have applied, as if the net values of the assets which under or in pursuance of this Part of this Act are transferred to the Railways Board were the amount determined under subsection (1) of this section after deducting from that amount a sum equal to the part of the Railways Board's suspended debt so extinguished.

There shall be made all such adjustments, whether by way of additional assessment or otherwise, as may be necessary to give effect to this subsection, and notwithstanding anything in the Income Tax Act, 1952, any adjustment to give effect to this subsection as respects any year of assessment may be made at any time not more than six years after the end of the year of assessment in which the Minister gives his direction under the said subsection (4).

- (3) In subsection (1) of this section the reference to Parts X and XI of the Income Tax Act, 1952, shall not include a reference to section seventeen of the Finance Act, 1956 (capital allowances on expenditure on dredging), notwithstanding that that section is by virtue of subsection (12) thereof to be treated as contained in the said Part X; and the said section seventeen shall apply as if the trade carried on by the Commission was not permanently discontinued on the vesting date and was continued in part by the Railways Board, in part by the Docks Board, and in part by the British Waterways Board.
- (4) The expression " statutory provision" in section four hundred and eighty-two of the Income Tax Act, 1952 (which relates to capital allowances where undertakings are absorbed in nationalisation schemes), shall not include this Act.