



# Finance Act 1917

## 1917 CHAPTER 31

### PART VI

#### NATIONAL DEBT AND LOANS

#### **31 Suspension of new sinking fund**

In the financial year ending the thirty-first day of March nineteen hundred and eighteen, that portion of the permanent annual charge for the national debt which is not required for the annual charges directed by the National Debt and Local Loans Act, 1887, or any other Act, to be paid out of that charge, shall not be paid.

#### **32 Depreciation fund**

- (1) The Treasury shall by regulations establish a depreciation fund in connection with the five per cent. war loan 1929-1947 and the four per cent. war loan 1929-1942 in accordance with the terms upon which those loans were raised, and may issue out of the Consolidated Fund or the growing produce thereof from time to time such sums as may be required for the purposes of that fund :

Provided that the aggregate sums so issued shall at no time exceed an amount equal to one-eighth of one per cent. per month, calculated as from the seventeenth day of February nineteen hundred and seventeen, of the total nominal value of the stock and bonds of those loans originally created whether as a result of subscriptions or conversions.

- (2) The regulations may provide—

- (a) for the manner in which the fund is to be applied, including the purchase for cancellation from any Government account of stock or bonds purchased between the said seventeenth day of February and the passing of this Act in anticipation of the establishment of the fund ; and
- (b) for the cancellation of any stock or bonds to the purchase of which the fund has been applied.

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*Status: This is the original version (as it was originally enacted).*

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- (3) The Treasury may, if they think fit at any time, for the purpose of providing for the issue of sums out of the Consolidated Fund under this section or for the repayment to that fund of all or any part of the sums so issued, borrow money in any manner in which money is authorised to be borrowed for the purposes of the present war; and all sums so borrowed shall be paid into the Exchequer.

### **33 Payment of expenses of redemption of war loan securities**

Any expenses incurred in connection with the redemption of any securities issued under the War Loan Act, 1916, shall be charged and paid out of the Consolidated Fund or the growing produce thereof in the same manner as expenses incurred in connection with the redemption of securities issued under the War Loan Act, 1914, and the War Loan Act, 1915 ; and subsection (5) of section one of the War Loan Act, 1916, shall have effect accordingly.

### **34 Power to transfer war stock and bonds in satisfaction of death duties and excess profits duties**

- (1) The Treasury may by regulations prescribe as securities to be accepted in payment of any death duty or excess profits duty or munitions Exchequer payments any stock or bonds forming part of any issue made for raising money in connection with the present war, and any such regulations may specify different securities in respect of different duties and payments, and may prescribe the limitations and conditions subject to which any securities will be accepted, and any person from whom any sum is due on account of any death duty or excess profits duty or munitions Exchequer payments may pay that sum or any part thereof by means of the transfer, in accordance with and subject to the provisions of such regulations as aforesaid, to the Commissioners of Inland Revenue of an appropriate amount (ascertained as hereinafter mentioned) of any stock or bonds authorised by the regulations.
- (2) Any stock or bonds so transferred shall be accepted by the Commissioners of Inland Revenue in satisfaction of the amount.
- (3) Any stock or bonds so transferred shall be deemed to mature for payment on the date of the transfer, but the principal payable on maturity shall be deemed to be a sum equal to the price of issue, and the principal and interest of the stock or bonds when received by the Commissioners of Inland Revenue shall be brought to account as revenue in such manner as the Treasury may direct.
- (4) Stock or bonds so transferred shall for the purposes of this section be valued at the price of issue with the addition of any interest accrued due at the date of transfer but then remaining unpaid, after deducting the amount of any interest which may be receivable by the transferor after that date :

Provided that in the case of excess profits duty and munitions Exchequer payments—

- (a) if the transfer takes place after the date when the duty or payments become payable there shall be deducted from the value so attributed to the stock or bonds the amount of any interest which accrued due on the stock or bonds after that date ; and
- (b) if the transfer takes place before that date, a sum equal to the value thereof so ascertained as aforesaid shall be deemed to be money deposited under section fifty-four of the Finance Act, 1916, and interest thereon shall be allowed in accordance with that section.

- (5) For the purposes of this section interest shall be deemed to accrue from day to day.
- (6) Section sixty-one of the Finance Act, 1916, is hereby repealed.

### **35 Power of trustees, &c. to borrow and invest in war securities**

- (1) It shall be lawful and shall be deemed always to have been lawful for a trustee to borrow for the purpose of subscribing to or investing in any securities which have been or may be issued in connection with any Government loan raised for the purpose of the present war, and a trustee shall not be liable for any loss resulting from any borrowing so authorised or from any subscription to or investment in such securities or the sale of any securities for the purpose of such subscription or investment, or from the exercise of any option to convert any securities into securities so issued, whether such borrowing, subscription, investment or sale, or the exercise of such option, was before or after the passing of this Act ; and trustees and other persons acting in any fiduciary character are hereby expressly authorised to exercise without the consent of any other person, such powers of borrowing, subscription, investment, sale, or conversion, notwithstanding anything in any instrument creating the trust:

Provided that—

- (a) In the case of transactions after the passing of this Act, a trustee shall before borrowing for the purpose aforesaid give notice of his intention so to do to the persons for the time being beneficially entitled to the income of the trust fund and the amount borrowed shall not exceed the value for the time being of the trust fund ;
  - (b) For the purpose of transactions after the passing of this Act the power to borrow for the purpose of investing in any such securities shall be deemed not to include a power to borrow for the purpose of purchasing any such securities at any time after the subscription list has been closed, or, in the case of any such securities which are issued on application from day to day, after the issue thereof has been discontinued.
- (2) This section shall apply to any officer or department who holds funds on account of or for the benefit of any persons or class of persons as part of, or in consequence of, the duties of the officer or department, but shall not apply to any trustee under an implied or constructive trust, except a resulting trust arising on the determination or failure of an express trust.
- (3) The foregoing provisions of this section, so far as they relate to the exercise of such powers as aforesaid before the passing of this Act, shall apply to local and other public authorities, notwithstanding any limitations on their powers, in like manner as they apply to trustees.
- (4) It is hereby declared that the power conferred by subsection (6) of section one of the War Loan Act, 191(3, on companies and bodies of persons and persons responsible for the direction and management of a company or body of persons to hold government securities purchased in pursuance of the powers conferred by that subsection is not limited to the continuance of the present war and a period of twelve months thereafter.

The powers conferred by the said subsection shall include, and shall be deemed as from the commencement of the war to have included, a power on the part of a company or body of persons and of persons responsible for the direction or management of the company or body to borrow, notwithstanding any such limitations as are mentioned in

that subsection, for the purpose of investing in or purchasing Government securities in accordance with that subsection.

### **36 Power to abolish certain fees**

The power of the Treasury under section thirty-seven of the National Debt Act, 1870, to reduce the fees payable in respect of stock certificates mentioned in the Third Schedule to that Act shall include and shall be deemed to have included a power to abolish any such fees.

### **37 Provisions facilitating dealings with Government stock**

- (1) For the purpose of facilitating transactions in connexion with Government stock, the Treasury may, in conjunction with the Bank of England and the Bank of Ireland, make regulations with respect to the following matters, that is to say:—'
- (a) for providing that any document relating to Government stock may, on the demand of any person who from any cause is unable to write, be validly executed on his behalf by a notary public, commissioner for oaths, or justice of the peace;
  - (b) for enabling stockholders to be described in the books of the Bank as trustees, and either as trustees of any particular trust or as trustees without qualification, and for authorising the Bank to act on powers of attorney granted by stockholders so described ;
  - (c) for enabling the Bank to open and keep accounts of Government stock in their books under the official description of a person holding any office or position, and for providing by what person any document relating to Government stock standing on such an account may be validly executed, and what evidence shall be sufficient of the identity of that person;
  - (d) for enabling stockholders, whether or not trustees, if a request in that behalf is made in the prescribed manner by all the stockholders, to act by a majority for the purpose of transferring Government stock or giving authority for the payment or accumulation of dividends or the payment of redemption moneys ;
  - (e) for determining what documents relating to Government stock shall require attestation, and for providing that any such document requiring attestation shall be deemed to be sufficiently attested if attested by one credible witness, and that any document relating to Government stock shall in the prescribed cases be deemed to be sufficiently executed by an individual if under hand only without seal, and in the case of a corporate body not having a common seal, if executed by the prescribed persons ;
  - (f) for applying the provisions of section eighteen of the National Debt Act, 1870, with or without modification, to the case of persons claiming payment of any money payable on the redemption of Government stock ;
  - (g) for making provision as to the manner in which and the conditions subject to which a transfer of stock may be made from England to Ireland, or from Ireland to England ;
  - (h) for providing that in the prescribed circumstances Government stock may, on the death of a sole or last surviving stockholder, be transferred and the dividends thereon and the moneys payable on the redemption thereof received in such manner and by such persons as may be prescribed.

- (2) Any regulations made in pursuance of this section shall have effect as if enacted in this Act and notwithstanding any rule of law or any provision in any other Act to the contrary, and all transfers of Government stock and payments and accumulations of dividends thereon, and payments of any moneys payable in redemption thereof, and all other things made, done, or permitted, in pursuance of and subject to the provisions of any such regulations shall be deemed to be properly made, done, and permitted respectively :

Provided that—

- (a) nothing in any such regulations shall as between any trustees or as between any trustees and the beneficiaries under a trust be deemed to authorise the trustees to act otherwise than in accordance with the rules of law applying to the trust and the terms of the instrument constituting the trust, or affect the mutual rights of joint stockholders ; and
  - (b) neither the Bank nor any person acquiring any interest in any Government stock shall by reason only of any entry in the books of the Bank in relation to any Government stock or any stockholder, or of anything in any document relating to Government stock, be affected with notice of any trust, or of the fiduciary character of any stockholder or of any fiduciary obligation attaching to the holding of any Government stock.
- (3) Before any regulations under this section come into force they shall be laid before each House of Parliament for a period of not less than thirty days during which the House is sitting, and if either of those Houses before the expiration of those thirty days presents an address to His Majesty against the regulations or any of them no further proceedings shall be taken thereon without prejudice to the making of any new regulations.
- (4) It is hereby declared that stock or registered bonds issued under the War Loan Acts, 1914 to 1916, and any other Act authorising the raising of any sum for the purposes of the present war, shall be transferable in like manner as other stock to which the National Debt Act, 1870, applies and shall be subject to the provisions of that Act and any enactment amending that Act, so far as is consistent with the tenor of the Act under which the loan is raised and save as is otherwise provided by any other Act.
- (5) In this section, unless the context otherwise requires—

The expression " Bank " means the Bank of England or the Bank of Ireland,, as the case may be;

The expression " stockholders " means the persons entered in the books of the Bank as the proprietors of any Government stock, and includes persons entitled to be so entered, and the legal personal representatives of a sole or last surviving stockholder ;

The expression " Government stock " means any stock or bonds which are for the time being transferable in the books of the Bank of England or the Bank of Ireland under the National Debt Act, 1870, or by deed under section seventeen of the Finance Act, 1911 ;

The expression " document relating to Government stock " means any power of attorney or other document made by way of or in connection with the transfer of Government stock, or in connection with the payment or accumulation of dividends thereon, or the payment of any money payable on the redemption thereof;

The expression " books, " includes registers;

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The expression " trustees " includes executors and all persons holding a fiduciary position, and the expression " beneficiaries " includes in relation to persons holding a fiduciary position all persons entitled to require due observance and performance of the duties involved in the holding of that position;

The expression " prescribed " means prescribed by regulations made under this section.