

1973 No. 1393

TRUSTEES

The Trustee Investments (Water Companies) Order 1973

<i>Made - - - - -</i>	<i>3rd August 1973</i>
<i>Laid before Parliament</i>	<i>8th August 1973</i>
<i>Coming into Operation</i>	<i>9th August 1973</i>

The Treasury, in exercise of the powers conferred on them by section 58(1) of the Finance Act 1973(a) and of all other powers enabling them in that behalf hereby make the following Order:—

1. This Order may be cited as the Trustee Investments (Water Companies) Order 1973, and shall come into operation on 9th August 1973.

2. The Interpretation Act 1889(b) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

3. Paragraph 10 of Part II of Schedule 1 to the Trustee Investments Act 1961(c) (under which a trustee's power to invest in certain securities depends on the amount of dividends paid) shall have effect, in relation to dividends paid during any year after 1972, as if for the words "five per cent." there were substituted the words "3½ per cent."

4. Subsection (3) of section 74 of Schedule 3 to the Water Act 1945(d), as amended by paragraph 3 of Schedule 4 to the Trustee Investments Act 1961, (which modifies paragraph 10 mentioned in article 3 above), and any Order made under the said Act of 1945 applying the provisions of that subsection, shall have effect, in relation to dividends paid during any year after 1972, as if for the words "five per centum" where they last occur there were substituted the words "3½ per cent.", and as if for the words "four per centum" there were substituted the words "2½ per cent."

5. Section 53 of the Lee Valley Water Act 1959(e), as amended by paragraph 3 of Schedule 4 to the Trustee Investments Act 1961, (which modifies paragraph 10 mentioned in article 3 above) shall have effect, in relation to dividends paid during any year after 1972, as if for the words "five per centum" there were substituted the words "3½ per cent.", and as if for the words "four per centum" where they first occur there were substituted the words "2½ per cent."

Tim Fortescue,

Oscar Murton,

Two of the Lords Commissioners
of Her Majesty's Treasury.

3rd August 1973.

(a) 1973 c. 51.
(c) 1961 c. 62.
(e) 1959 c. li.

(b) 1889 c. 63.
(d) 1945 c. 42.

EXPLANATORY NOTE

(This Note is not part of the Order.)

Paragraph 10 of Part II of Schedule 1 to the Trustee Investments Act 1961 provides that certain securities of a water company are authorised trustee investments, if that company has paid a dividend of not less than 5% on its ordinary shares during each of the ten years preceding the year in which the investment is made. Schedule 3 to the Water Act 1945 (and Orders made under that Act) and the Lee Valley Water Act 1959 modify paragraph 10 by substituting for the rate of 5% the rate of 4%.

This Order reduces, in relation to dividends paid after 1972, the rate in paragraph 10 from 5% to 3½% and the rate in the modifying enactments and instruments from 4% to 2½%. These reductions are required in consequence of the repeal by the Finance Act 1972 (c. 41) of the provisions relating to the deduction of income tax from distributions made by companies.

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