

---

DRAFT STATUTORY INSTRUMENTS

---

**2006 No.**

**The Water and Sewerage Services  
(Northern Ireland) Order 2006**

**PART X**

**REORGANISATION OF THE INDUSTRY**

*Finances of the successor company*

**Departmental lending, guarantees, etc.**

**278.**—(1) The Department may give financial assistance to the successor company in such form and upon such terms and conditions as the Department may determine.

(2) Without prejudice to the generality of paragraph (1), the Department may in exercise of its powers under that paragraph—

- (a) make loans or grants to the successor company;
- (b) write off the principal and interest of any loans so made or enter into an arrangement for the conversion into share capital of the principal and interest of loans so made;
- (c) guarantee obligations (arising out of loans or otherwise) incurred by the successor company.

(3) The Department may, upon such terms and conditions as it may determine, give to any person entering into a contract—

- (a) with the successor company; or
- (b) which in the opinion of the Department is directly or indirectly related to a contract entered or to be entered into by another person with the successor company,

any form of guarantee to meet any contingency arising out of or in connection with the contract.

(4) Immediately after any guarantee is given under this Article, the Department shall lay a statement of the guarantee before the Assembly; and immediately after any sum is issued for fulfilling a guarantee so given, the Department shall so lay a statement relating to that sum.

(5) If any sums are issued in fulfillment of a guarantee given under this Article the successor company shall make to the Department, at such times and in such manner as the Department may direct—

- (a) payments of such amounts as the Department may direct in or towards repayment of the sums so issued; and
- (b) payments of interest on what is outstanding for the time being in respect of sums so issued at such rate as the Department may direct.

(6) In this Article “guarantee” includes any form of indemnity or assurance.

(7) This Article applies to any subsidiary or subsidiary undertaking of the successor company as it applies to the successor company