



# Administration of Justice Act 1965

## 1965 CHAPTER 2

### PART I

#### FUNDS IN COURT IN ENGLAND AND WALES.

*Common Investment Funds for Investment of Money in Court and Statutory Deposits.*

#### **1 Schemes for establishment of common investment funds.**

- (1) Schemes establishing common investment funds for the purpose of the investment therein of moneys in the Supreme Court, moneys in county courts, moneys in the Mayor's and City of London Court and statutory deposits may be made by the Lord Chancellor.
- (2) Such a scheme (hereafter in this Act referred to as a "common investment scheme") shall provide for the fund thereby established to be under the management and control of the Public Trustee and for the investment by him in accordance with the provisions of this section of sums of money transferred to the fund in pursuance of rules made under the following provisions of this Act with respect to funds in the Supreme Court, rules made under section 168 of the County Courts Act 1959 with respect to funds in county courts, rules made under section 169 of that Act with respect to funds in the Mayor's and City of London Court or statutory deposit regulations.
- (3) A common investment scheme shall make provision for treating the fund thereby established as being divided into shares, and a sum invested therein as being represented by a number of shares determined by reference to that sum and the value of the fund at the time when the investment was made.
- (4) A common investment scheme shall make provision for the allotment of the shares into which the fund thereby established is divided to, and their holding by, the Accountant General, but no other person.
- (5) Moneys comprised in the fund established by a common investment scheme may be invested by the Public Trustee in any way in which he thinks fit, whether or not authorised by the general law in relation to trust funds.

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*Status: This is the original version (as it was originally enacted).*

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- (6) A common investment scheme may, without prejudice to the foregoing provisions of this section, make provision for, and for all matters connected with, the establishment, investment, management and winding up of the fund thereby established and may in particular include provision—
- (a) for regulating the allotment to, and the realisation by, the Accountant General of shares in the fund, and for the payment by the Accountant General for shares therein allotted to him, and by the Public Trustee for shares realised by the Accountant General;
  - (b) for regulating the distribution of income and its payment to the Accountant General, and for enabling income to be withheld from distribution with a view to avoiding fluctuations in the amounts distributed ;
  - (c) for determining, without regard to any rule of law applicable to trust funds, whether any cash or property received by the Public Trustee in respect of property comprised in the fund shall be treated as income or as capital and, where necessary, for its apportionment between income and capital;
  - (d) for enabling moneys to be borrowed temporarily for the purpose of the management or improvement of any property comprised in the fund or otherwise for the purpose of meeting payments to be made out of the fund;
  - (e) for any incidental or supplementary matters for which it appears to the Lord Chancellor requisite or expedient to make provision for the purposes of the scheme.
- (7) The Public Trustee shall not be required or entitled to take account of any trusts or equities affecting any share in a fund established by a common investment scheme.
- (8) There shall be charged on the Consolidated Fund any increase attributable to this section in the sums payable out of that Fund under section 7 of the Public Trustee Act 1906.
- (9) The power conferred by subsection (1) of this section to make a common investment scheme shall include power exercisable in the like manner to vary or revoke such a scheme.

## 2 **Consequential modifications of Public Trustee Act 1906.**

- (1) The Public Trustee Act 1906 shall have effect subject to the following modifications:

- (a) in section 8(5) of that Act (which provides for the payment out of moneys provided by Parliament of the expenses of carrying that Act into effect) the reference to that Act shall be construed as including a reference to common investment schemes ;
- (b) in section 9(1) of that Act (which provides for the charge of fees in respect of the duties of the Public Trustee) the reference to those duties shall be construed as referring as well to his duties under schemes made under the foregoing section as to his duties under that Act;
- (c) in section 9(3) of that Act (which provides for the payment of fees into the Exchequer so far as they are not applied as an appropriation in aid of moneys provided by Parliament for expenses under that Act) and in section 9(4) thereof (which requires fees to be so arranged as to produce an annual amount sufficient to discharge the expenses incidental to the working of that Act) the references to that Act shall be construed as including references to common investment schemes.

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

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- (2) The following provisions of the Public Trustee Act 1906, that is to say,—
- (a) so much of section 11(2) of that Act as requires the Public Trustee to take into consideration the wishes of the creator of the trust and of the other trustees and of the beneficiaries; and
  - (b) section 13 of that Act (investigation and auditing of accounts of trust);
- shall not have effect in relation to the trusts constituted by a common investment scheme.