



Civil Aviation Act 1971

1971 CHAPTER 75

PART I

THE CIVIL AVIATION AUTHORITY

Financial provisions

7 The initial debt

- (1) The Authority shall assume, in accordance with the following provisions of this section, debts to the Secretary of State (hereafter in this Act referred to collectively as the "initial debt") in respect of the property and rights transferred to the Authority by virtue of Schedule 2 to this Act.
- (2) The Secretary of State may, with the approval of the Treasury, give to the Authority a notice in writing specifying any property or right which is to be or has been transferred to the Authority by virtue of the said Schedule 2 and stating the amount of the debt which the Authority is to assume in respect of that property or right as from the date which in relation to it is the vesting date for the purposes of that Schedule, and the Authority shall accordingly assume as from that date a debt of the amount specified in the notice; and a notice given in pursuance of this subsection with respect to any property or right shall be so given either before or as soon as possible after the date aforesaid.
- (3) It shall be the duty of the Secretary of State, as soon as possible after the transfer of property, rights and liabilities in pursuance of the said Schedule 2 has been completed, to give to the Authority a notice in writing specifying the aggregate amount of the initial debt.
- (4) The aggregate amount of the initial debt shall not exceed £50 million.
- (5) If it appears to the Secretary of State that in determining the amount of any debt specified in a notice given in pursuance of subsection (2) of this section he has not taken account, or not properly taken account, of any property, right or liability by reference to which that amount should have been or was calculated, he may with the

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approval of the Treasury, at any time before the expiration of the period of two years beginning with the date on which notice was given in pursuance of subsection (3) of this section, give notice in writing to the Authority reducing or, subject to the preceding subsection, increasing the amount of the initial debt by an amount specified in the notice.

- (6) The rate of interest payable on the initial debt, the arrangements for paying off the principal and the other terms of the debt shall be such as the Secretary of State may from time to time determine with the approval of the Treasury.
- (7) Any sums received by the Secretary of State by way of interest on or repayment of the initial debt shall be paid into the National Loans Fund.
- (8) In relation to any period before notice is given in pursuance of subsection (3) of this section, references in subsections (6) and (7) of this section to the initial debt include references to any part of that debt.