



Government Trading Funds Act 1973

1973 CHAPTER 63

2 ^{F1}Assets and liabilities of funds.

- (1) Where any Minister of the Crown proposes to make an order establishing a trading fund for any operations or to vary an order by extending the funded operations—
- (a) he shall with Treasury concurrence determine what Crown assets and liabilities are properly attributable to the operations for which the fund is to be established or, as the case may be, the additional operations and are suitable to be appropriated to the fund, and
 - (b) the order shall provide for the assets and liabilities so determined to be appropriated as assets and liabilities of the fund ^{F2}

- (2) The responsible Minister may from time to time, in the case of any trading fund, with Treasury concurrence determine what additional Crown assets and liabilities are properly attributable to the funded operations and suitable to be appropriated to the fund and provide by order for the assets and liabilities in question to be appropriated as assets and liabilities of the fund ^{F2}

[^{F3}(2A) The values or amounts of assets and liabilities which are the subject of provision under subsection (1) or (2) above shall be determined by the responsible Minister in accordance with Treasury directions.]

- (3) Where an order establishing a trading fund provides for any assets and liabilities to be appropriated as assets and liabilities of the fund—
- (a) the amount by which the values of those assets exceed the amounts of those liabilities, less
 - (b) any amount treated by virtue of the order as public dividend capital [^{F4} or any amount treated by virtue of the order as reserves or (where the order provides for both public dividend capital and reserves) the aggregate of those amounts],
- is originating debt of the fund and is to be treated as having been issued to the fund under section 2B of this Act on the day appointed by the order.

- (4) Where, in the case of a trading fund established under a previous order, an order provides for any additional assets and liabilities to be appropriated as assets and liabilities of the fund—

Changes to legislation: There are currently no known outstanding effects for the Government Trading Funds Act 1973, Section 2. (See end of Document for details)

- (a) the amount by which the values of those additional assets exceed the amounts of those additional liabilities, less
 - (b) any amount treated by virtue of the order as public dividend capital [^{F5}for any amount treated by virtue of the order as reserves or (where the order provides for both public dividend capital and reserves) the aggregate of those amounts], is to be added to the originating debt of the fund and is to be treated as having been issued to the fund under section 2B of this Act on the day appointed by the order.
- (5) The responsible Minister may with Treasury concurrence from time to time by order provide, in the case of any trading fund, for any assets and liabilities to cease to be assets and liabilities of the fund; but the power conferred by this subsection is not exercisable where section 4A of this Act applies.
- (6) Where the responsible Minister exercises the power conferred by subsection (5) above, he may, in the case of any originating debt or public dividend capital which he may with Treasury concurrence determine to be properly attributable to the assets and liabilities in question—
- (a) out of money provided by Parliament, repay the whole or part of the debt or make a payment into the Consolidated Fund in reduction or extinguishment of the capital, and
 - (b) by order made with Treasury concurrence provide for the reduction or extinguishment of any debt or capital remaining after the application of paragraph (a) above.
- (7) An order providing for any assets and liabilities to be appropriated as, or to cease to be, assets and liabilities of a trading fund may describe the assets and liabilities in general terms.

Subordinate Legislation Made

- P1** S. 2: power exercised by [S.I. 1976/508](#) and 1980/456
- P2** S. 2: s. 1 (with ss. 2 and 2B(6)) power exercised by [S.I. 1991/1795](#).
- P3** S. 2: s. 1 (with ss. 2, 2B(6) and 4(6B)) power exercised by [S.I. 1991/1796](#).
- P4** S. 2(1)(7): s. 1 (with ss. 2(1)(7), 2A and 2B(6)), power exercised by [S.I. 1991/773](#)
- P5** S. 2(1)(7): s. 1(1)(4) (with ss. 2(1)(7), 2A(1) and 2B(6)), power exercised by 1991/857
- P6** S. 2(1): ss. 1(1)(4) (with ss. 2(1), 2A(1) and 2B(6)), power exercised by [S.I. 1991/875](#)

Textual Amendments

- F1** Ss. 1-2B substituted for sections 1 and 2 by [Government Trading Act 1990 \(c. 30, SIF 99:1\)](#), [s. 1\(1\)](#)
- F2** Words in s. 2(1)(b)(2) repealed by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), ss. 119(2), 123, [Sch. 19](#), Pt. VIII
- F3** S. 2(2A) inserted by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), [s. 119\(3\)](#)
- F4** Words in s. 2(3)(b) inserted (27.7.1993) by 1993 c. 34, s. 210, [Sch. 22 para. 2\(2\)](#)
- F5** Words in s. 2(4)(b) inserted (27.7.1993) by 1993 c. 34, s. 210, [Sch. 22 para. 2\(3\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Government Trading Funds Act 1973, Section 2.