



Telecommunications Act 1984

1984 CHAPTER 12

PART V

TRANSFER OF UNDERTAKING OF BRITISH TELECOMMUNICATIONS

*Vesting of property etc. of British Telecommunications
in a company nominated by the Secretary of State*

62 Conversion of certain loans transferred to the successor company

- (1) The Secretary of State may by order extinguish all or any liabilities of the successor company to the Secretary of State in respect of the principal of such transferred loans as may be specified in the order; and the assets of the National Loans Fund shall accordingly be reduced by amounts corresponding to any liabilities so extinguished.
- (2) As a consequence of the extinguishment by an order under subsection (1) above of any such liabilities, the successor company shall issue such debentures of the company as the Secretary of State may direct—
 - (a) to the Secretary of State ; or
 - (b) to any person entitled to require the issue of the debentures following their initial allotment to the Secretary of State.
- (3) The Secretary of State shall not make an order or give a direction under this section at a time when the successor company has ceased to be wholly owned by the Crown.
- (4) Except as may be agreed between the Secretary of State and the successor company—
 - (a) the aggregate of the principal sums payable under debentures issued in pursuance of this section shall be equal to the aggregate of the sums the liability to repay which is extinguished by the order ; and
 - (b) the terms as to the payment of the principal sums so payable, and as to the payment of interest thereon, shall be the same as the corresponding terms of the transferred loans specified in the order.

Status: This is the original version (as it was originally enacted).

- (5) For the purposes of subsection (4) above any express or implied terms of a transferred loan shall be disregarded in so far as they relate to the early discharge of liabilities to make repayments of principal and payments of interest.
- (6) Subsection (3) and subsections (5) to (7) of section 61 above shall apply for the purposes of this section as they apply for the purposes of that section.
- (7) For the avoidance of doubt it is hereby declared that the principal sums payable under debentures issued in pursuance of this section are to be regarded as money lent for the purposes of subsection (10) of section 48 of the Finance Act 1981 (write-off of government investment: restriction of tax losses).
- (8) In this section " transferred loan " means any sum borrowed or treated as borrowed by British Telecommunications the liability to repay which vests in the successor company by virtue of section 60 above.