These notes refer to the Tax Credits Act 2002 (c.21) which received Royal Assent on 8 July 2002

TAX CREDITS ACT 2002

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2: Child Benefit and Guardian's Allowance

Section 52: Transfer of property, rights and liabilities

182. The Child Benefit Centre, and its Northern Ireland equivalent, receive goods and services under a wide range of contracts. Those contracts relating wholly to functions transferred to the Treasury or the Board will, from the date of transfer, become contracts with those Departments. However, the Child Benefit Centre and its Northern Ireland equivalent also receive goods and services under contracts that provide for the supply of goods and services to other parts of DWP or, in Northern Ireland, DSD. In those cases, the right to enforce those contracts and liabilities resulting from them is transferred but only to the extent that they relate to the functions transferred.

183. Section 52 makes provision for the transfer of any property, rights or liabilities associated wholly with the functions relating to the operation of child benefit or guardian's allowance to be transferred to the Treasury or the Board, as appropriate. It enables the Treasury or the Board to issue a certificate, where required, as evidence that the transfer has taken place (*subsection (3)*) and ensures that all rights and liabilities are to be transferred, even where the contract itself states that they should not be (*subsection (4)*).

184. *Subsections (5) and (6)* deal with those contracts which relate partly to functions transferred to the Board or Treasury and partly to functions retained by the Secretary of State or the original Departments. They provide for the transfer of rights and liabilities under those contracts, but only so far as they relate to child benefit and guardian's allowance and the functions being transferred.

185. *Subsection (7)* also allows the transfer by Order in Council to the Home Civil Service of staff currently employed in administering child benefit and guardian's allowance in Northern Ireland. Those staff are currently members of the Northern Ireland Civil Service.