

1972 No. 1855

**COUNTER-INFLATION****The Counter-Inflation (Validity of Transactions) Order 1972**

<i>Made - - - -</i>	<i>1st December 1972</i>
<i>Laid before Parliament</i>	<i>1st December 1972</i>
<i>Coming into Operation</i>	<i>1st December 1972</i>

The Treasury, in exercise of the powers conferred on them by paragraph 2 of the Schedule to the Counter-Inflation (Temporary Provisions) Act 1972(a) and of all other powers enabling them in that behalf, hereby make the following Order:—

*Citation and commencement*

**1.**—This Order may be cited as the Counter-Inflation (Validity of Transactions) Order 1972, and shall come into operation on 1st December 1972.

*Interpretation*

**2.**—(1) In this Order “the Act” means the Counter-Inflation (Temporary Provisions) Act 1972.

(2) The Interpretation Act 1889(b) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament.

*Validity of transactions relating to goods and services*

**3.**—(1) A transaction shall not be invalid because it involves a price or charge which contains an increase forbidden by section 2 of the Act but the person paying the price or charge shall be entitled to recover the amount representing the increase unless he is a person who is himself liable to punishment by reason of his having aided, abetted, counselled or procured the offence committed under the Act by the other party to the transaction.

(2) This Article shall apply both when section 2 of the Act is in force, and thereafter.

*Validity of contracts to pay remuneration*

**4.**—(1) The effect of the application of section 2 of the Act to remuneration under contracts of employment shall not be to make wholly invalid contracts providing for remuneration in excess of the remuneration permitted by or under the said section 2 but shall, as regards payments due while that section is in force, be such that any contract to pay such remuneration is invalidated so far as relates to the excess (and accordingly does not revive or become enforceable as regards the excess on the expiration of section 2 or otherwise).

(2) To the extent that a contract to pay remuneration is invalidated by paragraph (1) of this Article, section 5 of the Act shall continue to apply

(a) 1972 c. 74.

(b) 1889 c. 63.

to the implementation of the contract on the expiration of section 2 as if the said section was still in force.

(3) An employer shall not under any circumstances be entitled, in consequence of the provisions of this Article, to recover any remuneration which he has paid.

*V. H. Goodhew,*

*Hugh Rossi,*

Two of the Lords Commissioners  
of Her Majesty's Treasury.

1st December 1972.

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#### EXPLANATORY NOTE

*(This Note is not part of the Order.)*

This Order provides in Article 3 that where a transaction for the sale of goods or the performance of services is made illegal by section 2 of the Counter-Inflation (Temporary Provisions) Act 1972 (because it involves a price or charge which contains a forbidden increase) the transaction is not to be invalid but that the person paying the price or charge shall generally be entitled to recover the amount of the increase.

The Order also provides (in Article 4) that where a contract of employment provides for the payment of remuneration in excess of the amount permitted by or under section 2 of the Act the contract is to be invalid only as respects the excess. Paragraph (2) of Article 4 further provides that section 5 of the Act (which creates criminal offences and prescribes the penalties therefor) shall continue to apply to the implementation of the invalid portion of the contract after section 2 has expired. Paragraph (3) of Article 4 provides that an employer shall not be entitled to recover any excess remuneration which has been paid.

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