

STATUTORY INSTRUMENTS

1977 No. 1281

COUNTER-INFLATION

The Prices and Charges (Notification of Increases and Information) Order 1977*Made* - - - - - 27th July 1977*Laid before Parliament* - - - 29th July 1977*Coming into Operation* - - - 1st August 1977

ARRANGEMENT OF ARTICLES

PART I

PRELIMINARY

Article

1. Citation, commencement and interpretation.
2. Revocation and saving.
3. Application of Order.
4. Meaning of increase.
5. Provisions supplemental to article 4 relating to cost adjustment provisions.
6. Ranges of products.

PART II

NOTIFICATION OF INCREASES

7. Obligation to notify increased prices and charges.
Provisions supplemental to article 7
8. Small activities.
9. Resale of goods by provider of services.
10. Goods comprising more than one component.
11. Sales within groups of companies.
12. Method of notification.
13. Approval of increases in special cases.

PART III

INFORMATION RELATING TO PRICES AND CHARGES

Periodical Returns

14. Obligation to furnish periodical returns.
15. Time for and contents of returns under article 14.

- 16. Special returns relating to investment relief.
- 17. Special returns relating to investment relief under the 1976 Code.
- 18. Special returns relating to small increases.
- 19. Increases in food prices.
- 20. Provisions supplementary to articles 16 to 19.

Records

- 21. Obligation to keep records.
- 22. Contents of records.

Supplemental Provisions

- 23. Provisions supplemental to articles 14 and 21.

SCHEDULES

- SCHEDULE 1 Orders revoked.
- SCHEDULE 2 Persons required to notify increases in the price for the sale of goods or the charge for the performance of services.
- SCHEDULE 3 Prices and charges in respect of which no notice of an intended increase is required to be made to the Price Commission.
- SCHEDULE 4 Matters relating to an increase in the price of goods or the charge for the performance of a service of which particulars are required to be notified to the Price Commission.
- SCHEDULE 5 Periodical returns and records and declaration.

The Secretary of State, in exercise of powers conferred on him by sections 5 and 15 of, and paragraphs 1(1) and 2(a) and (b), 2(4) and 3 of Schedule 2 and paragraphs 1(1), (2), (4) and (6) and 2(2) of Schedule 3 to, the Counter-Inflation Act 1973(a) as amended under the Prices Act 1974(b) and by sections 14 and 15(4) of the Price Commission Act 1977(c), and of all other powers enabling him in that behalf, hereby makes the following Order:—

PART I

PRELIMINARY

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Prices and Charges (Notification of Increases and Information) Order 1977 and shall come into operation on 1st August 1977.

(2) In this Order—

“the 1973 Act” means the Counter-Inflation Act 1973;

“the 1977 Act” means the Price Commission Act 1977;

“bank, finance house or similar enterprise” means a person (other than a building society incorporated under the Building Societies Act 1962(d) or under the enactments repealed by that Act) whose ordinary business includes the business of banking, the business of lending money, the letting of goods under hire purchase agreements, or the selling of goods under conditional sale agreements;

“base period” has the meaning assigned to it by article 3(6);

“coal or steel undertaking” means an undertaking as defined in article 80 of the Treaty establishing the European Coal and Steel Community, signed at Paris on 18th April 1951, otherwise than for the special purposes therein mentioned;

“the code” means the code for the time being contained in an order (e) under section 2 of the 1973 Act as amended by section 15(1) of the 1977 Act;

“the 1976 code” means the code set out in the Counter-Inflation (Price Code) Order 1976 (f) as amended (g);

“the Commission” means the Price Commission established by section 1(1) of the 1973 Act;

“distributor” means a person who carries on in the course of business activities falling within Order XXIII (other than the wholesale slaughtering of animals for human consumption, leasing industrial or office machinery, the hiring of furniture, radio and television sets and other domestic appli-

(a) 1973 c. 9.

(c) 1977 c. 33.

(e) S.I. 1977/1272 (1977 II, p. 3541).

(g) S.I. 1976/2207 (1976 III, p. 6190).

(b) See S.I. 1974/1218 (1974 II, p. 4631).

(d) 1962 c. 37.

(f) S.I. 1976/1170 (1976 II, p. 3226).

ances or the activities of bakers or processors of scrap metals) or falling within minimum list heading 894 of Order XXVI (other than the repairing of motor vehicles) of the Standard Industrial Classification;

“gross percentage margin” has the meaning assigned to it by paragraph 35 of the code;

“local authority” means, in England and Wales, a county council, the Greater London Council, the Common Council of the City of London, a district council or a London borough council and, in Scotland, a regional council, an islands council and a district council;

“manufacturer” means a person other than a local authority who carries on in the course of business activities falling within Orders II, III (other than the quick freezing of meat, poultry or fish, the curing of bacon or ham and the preparation of oven-ready poultry), IV to XIX, XXI (other than minimum list heading 603) and XXII (other than a travel ticket agent) of the Standard Industrial Classification and bakers;

“net profit margin” has the meaning assigned to it by paragraph 11 of the code;

“provider of construction services” means a person who carries on in the course of business activities falling within Order XX of the Standard Industrial Classification (other than the hiring of contractors’ plant and scaffolding);

“provider of professional services” means a person who carries on in the course of business activities falling within Order XXV (other than the provision of school meals) of the Standard Industrial Classification or the activity of a house or estate agent;

“provider of services” means a person other than a local authority who carries on in the course of business activities falling within minimum list headings 864 and 865 of Order XXIV or within Order XXVI (other than minimum list heading 894) of the Standard Industrial Classification or the hiring of furniture, radio and television sets and other domestic appliances, or the hiring of contractors’ plant and scaffolding or the leasing of industrial and office machinery or the repairing of motor vehicles or the activities of a travel ticket agent;

“the Standard Industrial Classification” means the edition thereof published by Her Majesty’s Stationery Office in 1968, as amended by Amendment List No. 1 so published in 1977 together with the alphabetical list of industries so published in 1968 as amended by Amendment Lists Nos. 1 and 2 so published in 1970 and 1977 respectively;

“water authority” includes a statutory water company and, in the Isles of Scilly only, a local authority and, in Scotland, a water authority within the meaning of section 148 of the Local Government (Scotland) Act 1973(a),

and all other expressions have the same respective meanings as they have for the purposes of the 1973 Act and the 1977 Act.

(3) Where a person satisfies more than one of the definitions of the following expressions contained in paragraph (2) above, that is to say, “bank, finance house or similar enterprise”, “distributor”, “manufacturer”, “provider of construction services”, “provider of professional services” and “provider of services”, the provisions of this Order shall apply to him in relation to each of the expressions he satisfies.

(4) Except as provided in articles 5(3) and 11, paragraph 2(1) of Schedule 3 to the 1973 Act (which relates to the identification of two or more different persons) shall apply for the purposes of this Order as it applies for the purposes of sections 5 and 6 of that Act but—

- (a) in relation to article 7 only so as to require a person to notify an increased price or charge which he himself intends to implement; and
- (b) in relation to articles 14, 16 to 19 and 21 only so as to require a person to furnish returns or to keep records relating to the activities which he himself carries on:

Provided that any of the several persons who are by virtue of this paragraph to be treated as one may, in the case of (a), serve a notification under article 7 on behalf of himself and of any other such person and, in the case of (b), may furnish returns or keep records on behalf of any other such person.

(5) In relation to persons mentioned in paragraphs 1 to 4 of Schedule 2, articles 3 to 12 of this Order shall apply only to banking and any other activity carried on by those persons which falls within the definition of “manufacturer” or “provider of services” in paragraph (2) above.

(6) Nothing in this Order applies to any person who is a body established for religious, charitable, educational, representational or recreational purposes, which is non-profit making and does not carry on a trade or business as its main activity.

(7) The Interpretation Act 1889 (a) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament and as if this Order and the Orders hereby revoked were Acts of Parliament.

Revocation and saving

2.—(1) Subject to paragraphs (2) and (3) below the Orders set out in Schedule 1 to this Order are hereby revoked.

(2) Article 7 shall not impose any obligation on any person in respect of any increase in a price or charge of which notice has been given to the Commission in pursuance of an order under section 5 of the 1973 Act referred to in paragraph (1) above so far as that increase is implemented before 1st October 1977; but any such increase or part thereof not implemented before that date is subject to section 21(4) of the 1977 Act.

(3) Anything done under the Counter-Inflation (Notification of Increases in Prices and Charges) Order 1976 (b), being a thing mentioned in paragraph (4), and anything done under the Counter-Inflation (Prices and Charges)

(a) 1889 c. 63.

(b) S.I. 1976/1171 (1976 II, p. 3280).

(Information) Order 1976 (a) (both of which orders are revoked by paragraph (1) above) or under any provision in any earlier order under section 5 or 15 of the 1973 Act, being in the former case a provision corresponding to any one of those mentioned in paragraph (4), shall, for the purposes of this Order, be treated as if it had been done under the corresponding provision of this Order and as if this Order had then been in operation.

(4) The things done under the Counter-Inflation (Notification of Increases in Prices and Charges) Order 1976 which are referred to in paragraph (3) above and to which that paragraph applies are—

- (a) any certificate made by the Commission under article 7;
- (b) any notice given by the Commission under article 9; and
- (c) anything done or required to be done under article 12.

Application of Order

3.—(1) This article shall have effect only for the purpose of ascertaining whether any provision of this Order applies to a person by reason of sales exceeding a certain amount.

(2) Subject to paragraphs (3), (4) and (5) of this article, there shall be taken into account in determining sales, in relation to goods, the total amount (excluding excise duties) of prices charged for their sale in the course of business in the base period and, in relation to services, the total amount of charges made in the base period for their performance, there being left out of account in either case trade discounts, rebates and other allowances.

(3) There shall be left out of account—

- (a) any price or charge to which, by virtue of paragraph 1 of Schedule 3, this Order does not apply and, in the case of transport, charges for carriage between terminals of which one or both are outside the United Kingdom and charges for carriage between points in the United Kingdom where the tariff applicable to those charges is one for the whole of the first-mentioned carriage;
- (b) in the case of a person who is a manufacturer, the price for the sale of goods manufactured by another person and the price for the sale of goods or the charge for the performance of services in the course of any activity not mentioned in the definition of “manufacturer” in article 1(2);
- (c) in the case of a provider of services, the price for the sale of goods or the charge for the performance of services in the course of any activity not mentioned in the definition of “provider of services” in article 1(2);
- (d) in the case of a person who has ceased to carry on an activity in the course of business since the beginning of the base period, any price or charge in respect of that activity.

(4) There shall also be left out of account car tax payable by the person in question and value added tax which is, under Part I of the Finance Act 1972(b), chargeable by the person in question on the supply by him of goods

(a) S.I. 1976/1172 (1976 II, p. 3298).

(b) 1972 c. 41.

and services (including goods and services specified in an order under section 6 of that Act) other than on the supply of any goods of which the price, or any services for which the charge, is under paragraph (3) above to be left out of account.

(5) Where a person has not carried on any activity in the course of business throughout the whole of the base period—

(a) in the case of a person who commenced to carry on that activity in the course of business (not being an activity to which sub-paragraph (b) of this paragraph applies) during the base period, the amounts determined under this article apart from this paragraph shall be increased by the proportion which 12 months bears to the period falling within the base period during which the person carried on that activity;

(b) in the case of a person who commenced to carry on that activity in the base period in succession to another person (whether upon purchase, amalgamation or reconstruction, or otherwise) the amounts determined under this article apart from this paragraph both in respect of the person and of that other person shall be aggregated and—

(i) if the aggregate of the periods during which the person and that other person carried on that activity during the base period exceeds 12 months, the aggregated amounts shall be reduced; or

(ii) if the aggregate of those periods is less than 12 months, the aggregated amounts shall be increased;

by the proportion which 12 months bears to the aggregate of those periods;

(c) in the case of a person who commenced to carry on an activity after the end of the base period in succession to another person (whether upon purchase, amalgamation or reconstruction, or otherwise) this article shall apply to the person as it would have applied to that other person had he carried on no other activity in the course of business in the base period.

(6) In this Order, “base period” in relation to any person means his latest completed year of account; and the amounts referred to in paragraph (2) above shall, where the accounting period is longer than 12 months, be reduced or, where the accounting period is shorter than 12 months, be increased by the proportion which 12 months bears to the length of the accounting period.

(7) In ascertaining the amount of sales in relation to any person, whether as a manufacturer or as a provider of services, account shall be taken of all transactions effected by the persons (of whom he is one) who are, under the provisions of paragraph 2(1) of Schedule 3 to the 1973 Act, to be treated as one, including any transaction between such persons except where both parties to the transaction are acting as manufacturers or as providers of services, as the case may be.

Meaning of increase

4.—(1) In ascertaining for the purposes of this Order whether a price or charge represents an increase, the following provisions of this article shall have effect.

(2) The price or charge shall be compared with those charged or made by a

person in the course of business for comparable transactions as regards goods or services of the same description and, as between earlier and later transactions, account shall only be taken of the latest.

(3) If there are no prices or charges which can be taken for comparison under paragraph (2) above, the comparison may be with prices or charges charged or made by that person in the course of business for transactions which are not in all respects comparable and, as regards goods or services which are not of precisely the same description, with a fair adjustment to take account of the differences; and as between different transactions or different descriptions of goods or services, those taken for comparison under this paragraph shall be those which are most closely comparable.

(4) Where a person charges or makes different prices or charges for the same goods or services in relation to different persons or to persons of different descriptions or to the same persons or descriptions of persons in different circumstances, a price or charge shall be treated as an increased price or charge in relation to any person only if it exceeds the price or charge charged or made in relation to the same person, persons of the same description or persons of the same description in the same circumstances, as the case may be.

(5) A price or charge shall not be treated for the purposes of this Order as an increased price or charge only because it exceeds an earlier price or charge if the increase does not exceed the cash amount of—

- (a) any increase (including a change from a nil amount) in—
- (i) excise duties, customs duties or car tax on, or on anything comprised in, the goods in question which, whether by virtue of a contract or otherwise, is, or is to be, borne in the particular case by the person intending to implement the increase; or
 - (ii) value added tax chargeable by that person on the supply of the goods or services in question; or
 - (iii) any fee prescribed (a) under sub-section (3) of section 11 of the Weights and Measures Act 1963 (b) or sub-section (3) of section 5 of the Weights and Measures Act (Northern Ireland) 1967 (c) (both of which provisions relate to the passing and stamping as fit for use for trade of weighing or measuring equipment) which is payable in respect of, or of anything comprised in, the goods in question by the person intending to implement the increase; or
- (b) except for the purposes of article 19 any reduction in subsidy under section 1 of the Prices Act 1974 (d) on any food, or on any ingredient in a food product, received by the person intending to implement the increase.

Provisions supplemental to article 4 relating to cost adjustment provisions

5.—(1) Subject to article 4, an increased price or charge shall be treated for the purposes of this Order as an increased price or charge because it exceeds an earlier price or charge unless the condition specified in paragraph (2) below is satisfied.

(a) See S.I. 1975/1381 (1975 II, p. 4737). (b) 1963 c. 31.
(c) 1967 c. 6 (N.I.). (d) 1974 c. 24.

(2) The condition referred to in the preceding paragraph is a condition that the increased price or charge is made in accordance with any formula, which provides for the price or charge to be varied because of changes in costs specified in a provision of the contract under which the increased price or charge is proposed to be charged or made and that either—

- (a) that provision was subsisting at 25th March 1974; or
- (b) it was the established practice at that date of the person proposing to implement the increased price or charge to be party, as seller of the goods or as provider of the services, to contracts containing a provision specifying the same formula as, or a formula similar to, the above-mentioned formula whereby that person sold or agreed to sell goods or to perform services (being, in either case, of the same description as those to which the increased price or charge relates) to persons in the capacity of distributors or in the capacity of domestic consumers; or
- (c) the contract provides for the goods to be sold to, or for the service to be performed for, any person except in the capacity of a distributor or in the capacity of a domestic consumer.

(3) For the purposes of this article paragraph 2(1)(b) of Schedule 3 to the 1973 Act shall not have effect.

Ranges of products

6.—In a case where a person has for the purposes of any order under section 5 of the 1973 Act hereby revoked or of any previous order under that section treated any product as forming part of a particular range of related products, he shall, for the purposes of this Order, continue to treat that product as forming part of that range, being, in a case where the product has on different occasions been treated for the first-mentioned purposes as forming part of different ranges, the range of which the product was treated as forming part on the last occasion before 1st August 1977, unless the Commission certify, having regard to changes in the person's practice of determining prices and charges, that this article shall not apply to the product in question.

PART II

NOTIFICATION OF INCREASES

Obligation to notify increased prices and charges

7.—(1) Subject to the provisions of articles 8 to 11 before a person specified in paragraph (3) below implements in the course of any business carried on by him in the United Kingdom—

- (a) an increased price for the sale of goods or an increased charge for the performance of services previously sold or provided; or
- (b) in respect of goods or services which are not identical with goods or services previously sold or performed, a price or charge in excess of that in respect of goods or services of substantially the same description as the goods or services in respect of which the price or charge is proposed to be implemented;

(not being, in either case, goods or services of a kind referred to in Schedule 3) he shall give notice of the proposed price or charge, as the case may be, to the Commission in accordance with article 12:

Provided that no notice need be given under this article—

- (i) (except in a case where (ii) below applies) if the increase taken with any earlier increase implemented during the period of 12 months immediately preceding the date of implementation of the increase is not more than 2 per cent of the latest price or charge before the commencement of that period; and
- (ii) in the case of an increase relating to a range of related products or services, if the increase (weighted by value of sales in a period of not less than 12 weeks and not more than 14 weeks ending not more than 14 weeks before the date of implementation of the increase), taken with any increase in respect of such goods or services implemented during the period of 12 months immediately preceding that date, does not exceed 2 per cent of the average price (weighted by value of sales in a period of not less than 12 weeks ending not more than 14 weeks before the commencement of that period);

and article 4 shall, with necessary modifications, have effect for determining whether an increase exceeds the limits specified in this proviso.

(2) If, notwithstanding the proviso to paragraph (1) above, notice of an increase not exceeding the limits therein specified is given to the Commission, this order has effect as if the notice were a notice required to be given under that paragraph.

(3) The persons referred to in paragraph (1) above are—

- (a) any person who is a manufacturer and has sales exceeding £12,000,000;
- (b) any person who is a provider of services and has sales exceeding £9,000,000;
- (c) any person specified in Schedule 2 and subject to the provisions of that Schedule;
- (d) a water authority in England and Wales having sales exceeding £9,000,000.

(4) This article applies—

- (a) in the case of a manufacturer, only to the price for goods sold and to the charge for services performed in the course of an activity referred to in the definition of “manufacturer” in article 1(2); and
- (b) in the case of a provider of services, only to the price for goods sold and to the charge for services performed in the course of an activity referred to in the definition of “provider of services” in article 1(2).

(5) A price or charge in respect of which an increase is required to be notified to the Commission shall be restricted by the exclusion of the increase for the period of 28 days beginning with the date of service of the notification on the Commission; and a person shall contravene the Order if he implements the increase before the end of that period.

Provisions supplemental to article 7

Small activities

8.—(1) Article 7 shall not apply, in relation to any person referred to in paragraph (3)(a) or (b) of that article, to the price or charge for any goods or services—

- (a) manufactured or performed in the course of any activity falling within any of the minimum list headings of the Standard Industrial Classification; or
- (b) manufactured or performed in the course of any one or more activities falling within one minimum list heading of the Standard Industrial Classification, which the Commission certify, having regard to the person's established practice of determining prices or charges, may be treated as an activity or activities separate from other activities falling within the minimum list heading:

Provided that the sales of the person in question in respect of all his activities within the minimum list heading in question or, in the case of (b) above, in respect of any of his activities treated as a separate activity, do not exceed the lesser of 10 per cent of his sales and—

- (i) in the case of a manufacturer, £10,000,000; and
- (ii) in the case of a provider of services, £7,500,000.

(2) In ascertaining whether sales exceed the amounts referred to in paragraph (1) above the provisions of article 3 shall apply, but no account shall be taken of any goods or services referred to in Schedule 3.

Resale of goods by provider of services

9. A person referred to in paragraph (3)(b) of article 7 shall not be required by that article to give notice to the Commission of an increased price for the sale of any goods if those goods are manufactured by another person (not being a person who, under paragraph 2(1) of Schedule 3 to the 1973 Act is to be treated as one with that person) and that increased price does not exceed the price for the sale of identical goods charged by the person who manufactured them.

*Goods comprising more than one component***10.**—(1) Where—

- (a) in a notification of an intended increase in the price of any goods, a person states that goods of that description may or will be comprised (with or without change) in other goods specified in the notification; and
- (b) the price for the sale of the former goods may be charged—
 - (i) in accordance with this Order or in accordance with the consent of the Commission or of the Minister; and
 - (ii) without contravening any restriction imposed by or under the provisions of the 1977 Act mentioned in paragraph (2) below and without breaching any undertaking given pursuant to section 7 or 12 of that Act; and
- (c) the former goods are comprised (with or without change) in any other goods so specified and manufactured by that person;

article 7 shall not apply to the implementation of an increase in the price for the sale of those other goods if—

- (i) that increase is no greater than the cash amount of the increase in the price for the sale of the former goods; and
- (ii) before the implementation of the increase in the price for the sale of the former goods, the Commission have not given notice to that person that article 7 shall apply to the implementation of an increase in the price for sale of those other goods.

(2) The provisions of the 1977 Act referred to in sub-paragraph (b)(i) of paragraph (1) above are—

- (a) section 4(2)(b) (which modifies and extends the restrictions on implementation of price increases imposed by section 5 of the 1973 Act where the Commission give notification of their intention to investigate a price increase);
- (b) section 7(1) (which gives temporary effect to recommendations of the Commission in consequence of reports on investigations); and
- (c) sections 7(5)(a) and 12(3)(b) (which enable the Secretary of State to make orders in consequence of investigations of price increases and of examinations of questions relating to prices and charges respectively) but not including any provisions made under section 12(4) (which provides that orders under section 12(3)(b) may include provisions relating to recommended prices).

*Sales within groups of companies***11.** Where—

- (a) a person or a company controlled by him sells goods to another company controlled by him or a company controlled by a person sells goods to him; and
- (b) the seller sells and the purchaser purchases in the capacity of a manufacturer or of a provider of services;

then, notwithstanding the provisions of paragraph (4) of article 1, article 7 shall not have effect in relation to the price for that sale.

Method of notification

- 12.** A notification required to be made under article 7—
- (a) shall be in writing signed by the person or one of the persons required to make the notification or his authorised agent or, in the case of a body corporate, signed by an officer of the body corporate serving the notification, and shall be dated;
 - (b) shall contain particulars of the matters specified in Schedule 4 to this Order; and
 - (c) shall be accompanied by true copies—
 - (i) of all appropriate accounts containing particulars of sales ascertained under article 3 unless these have already been furnished; and
 - (ii) of such other documents (other than published documents generally available) which the person required to make the notification wishes to be taken into account by the Commission in exercising their functions under the 1973 Act and the 1977 Act in relation to the increase.

Approval of increases in special cases

13.—(1) Where a notification of a proposed increased price or charge served on the Commission under article 12 relates to an increase which would not be in accordance with the provisions of the code unless the Commission exercised their powers under—

- (a) paragraph 22 (which relates to modifications of the reference level);
- (b) paragraph 23 (which relates to relief for low profits);
- (c) paragraph 49(4) (which relates to profit margins of goods subject to certain indirect taxes);

and contains a request that the notification shall be treated as a request for approval of the proposed increase under any of those powers, the Commission shall entertain the proposal and shall, within the period of 56 days beginning when the notification is served on them, give notice to the applicant either—

- (i) that they approve the proposed increase; or
- (ii) that they approve the proposed increase subject to the conditions, limitations or qualifications (if any) specified in the notice; or
- (iii) that they do not approve the proposed increase:

Provided that the approval of an increase in a price or charge under this article shall not permit the increase to be implemented before the end of the period referred to in article 7(5).

(2) Except in the case of a proposed increase under paragraph 22 of the code, where the Commission have not, within the period of 56 days beginning with the date of service on them of the notification, served on the person giving the notification a notice under paragraph (1) above, they shall be deemed for the purposes of any provision of Schedule 2 to the 1973 Act to have given their approval to the proposed increase; and any approval which is deemed to have been given by virtue of this paragraph shall be subject to the condition that, if it appears to the Commission that the net profit

margin relating to the price or charge to which the approval relates exceeds the appropriate reference level under the code, they may at any time exercise their powers under section 6 of the 1973 Act.

PART III

INFORMATION RELATING TO PRICES AND CHARGES

*Periodical returns**Obligation to furnish periodical returns*

14. Subject to article 23, each person, not being a local authority or a water authority—

- (a) who is a manufacturer and has sales exceeding £12,000,000;
- (b) who is a distributor and has sales exceeding £18,000,000;
- (c) who is a provider of services and has sales exceeding £9,000,000;
- (d) who is a provider of construction services and has sales exceeding £9,000,000;
- (e) who is a provider of professional services and has sales exceeding £900,000; or
- (f) who is a bank, finance house, or similar enterprise and had on 30th March 1973 gross sterling deposits exceeding £200,000,000 or, in the case of one or more companies which are banks, finance houses or similar enterprises and are controlled by the same person, together with that person, had on that date gross sterling deposits exceeding that amount;

shall furnish to the Commission returns in accordance with article 15 relating to each activity carried on by him in the course of business being an activity referred to in the relevant definition in article 1(2).

Time for and contents of returns under article 14

15.—(1) Returns under article 14 (reconcilable with annual accounts)—

- (a) may be related to management accounting periods but shall not be less than 4 nor more than 5 in number in each year and all, or all but one, of them shall relate to periods of approximately the same length not being less than 12 weeks save that, for the purposes of paragraphs 2, 5, 7 and 10 of Schedule 5, the returns shall relate to an exact 12 month period or to the periods mentioned in paragraph 10(4) of the code;
- (b) shall relate to all times after 28th April 1973;

and each return shall be furnished to the Commission within 42 days after the end of the period to which it relates.

(2) No return shall be required to be furnished in relation to any period of 12 weeks during the whole of which article 14 does not apply to the person in question, or in respect of any matter of which particulars have not changed since the preceding return.

(3) A return under article 14—

- (a) shall specify the period to which it relates and shall contain particulars of the matters specified in Part I of Schedule 5 to this Order:

Provided that a return shall not contain particulars, pursuant to paragraph 8 of that Schedule, of any settlement relating to remuner-

ation where the settlement does not apply to more than 100 employees as defined in sub-paragraph (3) of that paragraph; and

- (b) shall contain a declaration in the form and containing the particulars specified in Part II of Schedule 5 to this Order signed by the person or one of the persons required to make the return or, in the case of a body corporate, by an officer of the body corporate.

Special returns relating to investment relief

16.—(1) Where paragraph 46 (investment relief) of the code—

- (a) is to be applied by a person referred to in article 14; or
(b) has been applied by such a person,

he shall furnish to the Commission—

- (i) in the case of (a) above, a return giving particulars of the matters specified in paragraphs 1, 2, 5, 11 and 12 of Schedule 5; and
(ii) in the case of (b) above, within 42 days after the first six months of the relief year and after the second six months of that year, a return giving particulars of the matters specified in paragraphs 1, 2, 5, 13 and 14 of that Schedule.

(2) A return under paragraph (1) above shall be made in respect of each unit for profit margin control determined under paragraph 14 of the code in which paragraph 46 of the code is to be or has been applied.

(3) In paragraph (1) above, “the relief year” and in paragraphs 9 to 12 of Schedule 5, “expenditure on investment”, “the investment year”, “the relief year”, “relevant expenditure” and “turnover” have the meanings assigned to them respectively in paragraphs 44 and 45 of the code.

Special returns relating to investment relief under the 1976 code

17.—(1) In a case where relief has been obtained under paragraph 98 of the 1976 code, article 16 and paragraphs 11, 12 and 13 of Schedule 5 have effect.

(2) For the purposes of sub-paragraph (1) of this article, references to “the investment year”, “the relief year” and “turnover” are references to those expressions as defined in paragraph 98 of the 1976 code and references to “relevant expenditure” shall be construed in accordance with paragraph 97(3) of that code.

Special returns relating to small increases

18.—(1) A person who implements an increased price for the sale of goods or an increased charge for the performance of services which he would but for the proviso to article 7(1) be required to notify to the Commission under this Order shall, not later than 14 days after he implements the increased price or charge, furnish to the Commission a return containing particulars of the matters referred to in paragraph (2).

(2) The matters mentioned in paragraph (1) are—

- (a) those specified in paragraphs 1, 2 and 16 of Schedule 4;
- (b) the price or charge to which the return relates;
- (c) the increase in the price or charge; and
- (d) in respect of goods or services—
 - (i) within head (i) of the proviso to article 7(1), the latest price or charge before the commencement of the period therein referred to;
 - (ii) within head (ii) of that proviso, the average price (weighted by value of sales in a period of not less than 12 weeks ending not more than 14 weeks before the commencement of the period therein referred to).

Increases in food prices

19. A person who implements an increased price for the sale of—

- (a) any food or food product which he would, but for the provisions of paragraph 5(b) of article 4, be required to notify to the Commission; or
- (b) any product within paragraph 8 of Schedule 3,

shall, not later than seven days after he implements the increased price, furnish to the Commission a return containing the same particulars as he would be required to notify to the Commission but for those provisions; and Schedule 4 shall have effect accordingly.

Provisions supplementary to articles 16 to 19

20. A return under any of articles 16 to 19—

- (a) shall be in writing signed by the person or one of the persons required to make the return or his authorised agent or, in the case of a body corporate, signed by an officer of the body corporate making the return;
- (b) shall contain a declaration that to the best of the knowledge, information and belief of the person signing the return, the particulars stated in it are correct and complete; and
- (c) shall be dated.

Records

Obligation to keep records

21. Subject to article 23 each person (other than a person referred to in article 14)—

- (a) who is a manufacturer and has sales exceeding £2,400,000;
- (b) who is a distributor and has sales exceeding £600,000;
- (c) who is a provider of services and has sales exceeding £600,000;
- (d) who is a provider of construction services and has sales exceeding £2,400,000;
- (e) who is a provider of professional services and has sales exceeding £240,000;

- (f) who is a bank, finance house or similar enterprise and on 30th March 1973 had outstanding lending balances owed to him and balances outstanding under hire purchase or conditional sale agreements, repayable or payable in sterling, exceeding in total £10,000,000 or, in the case of one or more companies which are banks, finance houses or similar enterprises and are controlled by the same person, together with that person, had such balances, exceeding in total £10,000,000;
 - (g) which is a local authority or a water authority,
- shall keep the records specified in article 22.

Contents of records

22.—(1) The records referred to in article 21 are records of the particulars specified in Part I of Schedule 5, but those records may be comprised in or combined with other records from which those particulars may readily be derived.

- (2) The records referred to in article 21 shall be maintained—
 - (a) by a person other than a local authority and a water authority in respect of the whole of the period commencing on 29th April 1973;
 - (b) by a local authority or water authority in England and Wales, in respect of the whole of the period commencing on 1st April 1974; and
 - (c) by a local authority or water authority in Scotland, in respect of the whole of the period commencing on 15th May 1975.

Provisions supplemental to articles 14 and 21

23.—(1) Unless the Commission so request, a return under article 14 or a record under article 21 shall not contain—

- (a) in the case of a person referred to in paragraphs (a) or (c) to (f) of article 14 or in paragraphs (a) or (c) to (g) of article 21 particulars relating to any goods or services in respect of which no notice of an intended increased price or charge is, by virtue of Schedule 3 (except paragraph 18(c)) to this Order, required to be given to the Commission or relating to the provision of accommodation in aircraft;
 - (b) in the case of any person, any particulars (other than those referred to in paragraph 1(1) of Schedule 5) which have been contained in a previous return under this Order or any earlier order under section 15 of the 1973 Act, a notification of an intended increased price or charge under this Order or any earlier order under section 5 of that Act, a proposal under an Order under paragraph 1 of Schedule 2 to that Act, or any particulars which have been furnished to the Commission pursuant to a notice under section 15(1) of that Act.
- (2) A return under article 14 shall indicate which amounts (if any) contained in it are estimated amounts and a corrected amount shall be contained in the first return required to be made after corrected amounts are prepared or, where no such return is required to be made, shall be furnished in a special return within 21 days after those accounts are prepared.

Roy Hattersley,

27th July 1977. Secretary of State for Prices and Consumer Protection.

SCHEDULE 1

(Article 2(1))

<i>Orders revoked</i>	<i>References</i>
The Counter-Inflation (Notification of Increases in Prices and Charges) Order 1976	S.I. 1976/1171 (1976 II, p. 3280)
The Counter-Inflation (Prices and Charges) (Information) Order 1976	S.I. 1976/1172 (1976 II, p. 3298)
The Counter-Inflation (Prices and Charges) (Information) Order 1976 (Amendment) Order 1976	S.I. 1976/1377 (1976 II, p. 3782)
The Counter-Inflation (Notification of Increases in Prices and Charges) Order 1976 (Amendment) Order 1976	S.I. 1976/1378 (1976 II, p. 3783)

SCHEDULE 2

(Article 7(3)(c))

Persons required to notify increases in the price for the sale of goods or the charge for the performance of services.

1. Barclays Bank Limited.
2. Lloyds Bank Limited.
3. Midland Bank Limited.
4. National Westminster Bank Limited.
5. British Waterways Board.
6. Milk Marketing Boards, but in respect only of milk not referred to in paragraph 7 of Schedule 3.

SCHEDULE 3

(Article 3(3)(a) and 7(1))

Prices and charges in respect of which no notice of an intended increase is required to be made to the Price Commission.

1. The price for the sale of goods or the charge for the performance of services which are supplied, whether by the person selling or performing them or another, outside the United Kingdom or to persons or in relation to property outside the United Kingdom.

2. The price for the sale of any goods—

(a) which have been produced or manufactured outside the United Kingdom; and

(b) which have not been subjected to any process in the United Kingdom other than packing or repacking, cleaning and sterilizing or, in the case of crude oil, stabilisation; and

(c) which have not been sold to any person in the United Kingdom;

and the charge for the performance of any services in the United Kingdom or in relation to any property in the United Kingdom which are performed for any person outside the United Kingdom.

3. The price for the sale, whether alive or dead, of any goods produced in the course of agriculture, horticulture or fishing including—

(a) (except in the case of a Milk Marketing Board) liquid milk not referred to in paragraph 7 below; and

(b) by-products for animal feeding which arise in the milling of grain, the processing of sugar beet or oilseeds or in the manufacture of alcoholic drinks;

which have not been incorporated in any processed product and to which no process has been applied except—

(i) cleaning, sterilizing, breaking down of bulk supplies or packaging; and

(ii) in the case of any carcasses or parts of carcasses of livestock or poultry or of any product of fishing, chilling, freezing, curing, cutting up or boning, in the case only of bacon and ham, cooking and, in the case only of whole hams, canning.

4. The price for the sale before 30th August 1977 of canned, chilled, chipped, dehydrated and frozen potatoes, crisps and other snacks consisting wholly or mainly of potato and other similar potato products.

5. The price for the sale of blended butter.

6. The price for the sale of raw beet sugar for further refining.

7. The price for the sale of liquid milk of which the maximum price is for the time being controlled by an order (a) under section 6 of the Emergency

(a) S.I. 1971/1037, 1038; 1974/1548, 1549; 1975/1664; 1977/858, 859 (1971 II, pp. 3105, 3108; 1974 III, pp. 5867, 5869; 1975 III, p. 5720; 1977 II, pp. 2366, 2368).

Laws (Re-enactments and Repeals) Act 1964 (a).

8. The price for the sale, otherwise than in cans, of sausages, meat pies, sausage rolls and other manufactured meat products.

9. The price for the sale of—

(a) unseasoned timber in logs;

(b) raw wool which has not undergone any process of combing, spinning or felting and tops of wool and other fine animal hair;

(c) untanned hides.

10. The price for the sale of coal and steel (as defined in Annex 1 to the Treaty establishing the European Coal and Steel Community, signed at Paris on 18th April 1951, together with any additions to the lists in that Annex made by the Special Council of Ministers under article 81 of that Treaty) charged by an undertaking as defined in article 80 of that Treaty (otherwise than for the special purposes therein mentioned) except for sales to domestic consumers.

11. The price for the sale of scrap metal.

12. The charge for carriage by sea transport between terminals—

(a) of which one or both are outside the United Kingdom including charges for carriage between points in the United Kingdom, where the tariff applicable to those charges is one for the whole of the first-mentioned carriage; or

(b) of which both are within the United Kingdom, whether or not the charge relates to a voyage during which a call is made at any other place, other than a charge which is in accordance with a tariff of general application.

13. The charge for carriage by air transport for which an air transport licence granted by the Civil Aviation Authority is by section 21 of the Civil Aviation Act 1971 (b) required to be held by the operator.

14. The charge for a package holiday taken outside the United Kingdom.

15. (a) Bus fares which are fixed by conditions attached to a road service licence granted under section 135 of the Road Traffic Act 1960 (c) or a permit granted under section 30 of the Transport Act 1968 (d) and charges made in respect of the use of vehicles under authorisations granted under section 2(3)(b) of the Passenger Vehicles (Experimental Areas) Act 1977 (e);

(b) bus fares which are charged in pursuance of an agreement with the London Transport Executive under section 23 of the Transport (London) Act 1969 (f) or a consent continued in force or granted under Schedule 4 to that Act;

(a) 1964 c. 60.

(c) 1960 c. 16.

(e) 1977 c. 21.

(b) 1971 c. 75.

(d) 1968 c. 73.

(f) 1969 c. 35.

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- (c) taxi fares fixed by regulations made by, or by byelaws confirmed by, the Secretary of State;
- (d) charges made by the British Airports Authority and the British Railways Board for the parking of vehicles.
16. (a) Charges or dues for the provision of aids for air navigation where that provision is made principally in connection with transport between terminals of which one or both are outside the United Kingdom;
- (b) charges for the provision of landing and related facilities for aircraft;
- (c) pilotage dues within the meaning of the Pilotage Act 1913(a);
- (d) charges for harbour operations within the harbour area (other than charges mentioned in head (e) below) made by a harbour authority within the meaning of the Harbours Act 1964(b) or the Harbours Act (Northern Ireland) 1970(c) as the case may require;
- (e) ship, passenger and goods dues in relation to which an objection may be made to the National Ports Council under the said Act of 1964 or to the Department of Commerce under section 7 of the said Act of 1970 and charges exigible by virtue of section 29 of the said Act of 1964 (local light dues).
17. Charges made by the Post Office in accordance with any international agreement in respect of the carriage of postal packets or the provision of telecommunications, giro or remittance services to or from any place in the United Kingdom to or from any other place.
18. (a) The price of any goods on any sale by auction;
- (b) the price of any goods determined on a commodity market in the United Kingdom (including any price to the extent to which it is determined by reference to a price determined on any such market);
- (c) the price for the sale of any goods or the charge for the performance of any services under any contract formed by acceptance of a competitive tender.
19. The price for the sale of goods to or the charge for the performance of services for a government department to which the profit formula for non-competitive contracts as recorded in the Report by the Review Board for Government Contracts published by Her Majesty's Stationery Office in 1974 relates.
20. The price for the sale of manufactured goods (other than the price for the sale of motor vehicles by a person who ordinarily sells motor vehicles in the course of business)—
- (a) which have been used to a material extent otherwise than solely for the purpose of testing, examination or adjustment and, in the case of a ship, aircraft or hovercraft, in the course of its delivery to a person who ordinarily sells ships, aircraft or hovercraft in the course of business; and

(a) 1913 c. 31 (2&3 Geo. 5).

(b) 1964 c. 40.

(c) 1970 c. 1 (N.I.).

(b) which have not been substantially changed after completion of their manufacture.

21. Insurance premiums.

22. Charges by way of interest.

23. Charges for services to the Post Office by sub-postmasters.

24. Charges being payments in respect of services provided under or pursuant to Part IV of the National Health Service Act 1946(a) or Part IV of the National Health Service (Scotland) Act 1947(b) to persons providing such services.

25. The price for the sale of any human pharmaceutical which may be prescribed under the National Health Service but is not advertised to the general public.

26. The price for the sale of goods or the charge for the performance of services to the extent that any increase made therein is required for the purpose of implementing, and only to the extent required for that purpose, any obligation created or arising by or under any international agreement or arrangement (being an agreement or arrangement between states or organisations of states and not any other) or is made as a direct consequence of any such increase already made.

27. Charges for services provided by shipbrokers.

28. The price for the sale of tallow, meat and bonemeal processed from waste fat, bone and offal.

29. The price for the sale of any product where more than one half of the total costs of that product immediately before the date of any proposed increase in the price represents the cost of milk, but only by an amount corresponding to an increase in the intervention prices of butter and skimmed milk powder.

30. The price for the sale of any goods during a period not exceeding 12 months in which the goods are sold principally for the purpose of testing their acceptability to prospective users, being goods—

(a) which are during that period for sale only in a certain area of the United Kingdom; and

(b) which have not been sold anywhere in the United Kingdom before that period.

(a) 1946 c. 81.

(b) 1947 c. 27.

SCHEDULE 4

(Article 12(b))

Matters relating to an increase in the price of goods or the charge for the performance of a service of which particulars are required to be notified to the Price Commission.

Only paragraphs 16 and 18 apply to water authorities.

1. The name of the person required to make the notification, his address or, in the case of a body corporate, its registered or principal office in the United Kingdom and the address for service of notices by the Commission, if different.

2. The name of an individual (not being the person mentioned in paragraph 1) to whom any enquiry concerning the notification may be made by the Commission and the office or employment held by him.

Profit margin control

3. The unit for profit margin control, determined in accordance with paragraph 14 of the code, to which the notification relates; and its title and address.

4.—(1) The reference level of the net profit margin of the unit for net profit margin control in relation to the price or charge specified pursuant to paragraph 7, ascertained in accordance with the code and, unless already notified to the Commission, particulars of the manner in which it is calculated.

(2) The net profit margin of the unit for net profit margin control in relation to the price or charge specified pursuant to paragraph 7, calculated in accordance with the code—

- (a) on the assumption that only the increase to which the notification relates is made; and
- (b) on the assumption that the increase and other specified increases in prices and charges are made:

Provided that the particulars referred to in this paragraph may, where the Commission so inform the person in question, be furnished in the form of an estimate.

Particulars of the price increase

5. Intended date for implementation of the proposed increase.

6. The goods or services to which the notification relates.

7. The price or charge for the sale of goods or the performance of services to which the notification relates at the date of the notification.

8. The increase in the price or charge ascertained in accordance with articles 4 and 5 and, in a case where the increase is an average increase relating to a range of related products or services, particulars of the increases proposed for each product or service within the range.

9. Where the goods or services to which the notification relates—

- (a) are identical with goods or services previously sold or performed, particulars of the amount of sales in respect of those goods or services; or
- (b) are not identical with goods or services previously sold or performed, particulars of the amount of sales in respect of goods or services of substantially the same description;

during a period ending not more than 42 days before the date when the notification is made, being a representative period (which shall be specified) of not less than three months, the amount being increased by the proportion which that period bears to 12 months: Provided that the particulars referred to in paragraphs (a) and (b) may, where the Commission so inform the person required to make the notification, be furnished in the form of an estimate.

10. The increase pursuant to implementation of the increased price in receipts from sales of goods or the provision of services to which the notification relates calculated over a period of 12 months beginning with the date of implementation of the increased price; and in a case where in determining such receipts a change in turnover is assumed, particulars of that assumed change.

11. The percentage margin over total costs per unit of output or per £ of sales—

- (a) either at the date of implementation of the last price increase before the date of the notification or during a representative period (which shall be specified) following that last increase; and
- (b) either immediately following the date of the increase to which the notification relates or during a representative period (which shall be specified) after that date.

12. Total costs per unit of output or per £ of sales either at the date or during the period stated pursuant to paragraph 11 above.

13. In the case of the first notification after 31st July 1977 relating to a particular range of related products or services, the method of allocating costs which are not incurred exclusively in respect of that range to the prices of particular products or services within the range and particulars of the accounting principles employed in the calculation of depreciation and the cost of sales; and in the case of any subsequent notification relating to the range in question, particulars of any change in the method of allocating costs or in the accounting principles employed of which notice has been given to the Commission pursuant to the preceding provisions of this paragraph.

Grounds for price increase

14. Particulars of the application of those matters mentioned in section 2(2)(a) to (h) of the 1977 Act which the person giving the notification considers relevant to the increase to which the notification relates including, in the case of subsection (2)(a) of that section, sufficient information concerning the costs incurred in supplying the goods or services to which the notification relates to enable the Commission to ascertain what are the principal costs incurred and whether there have been changes in those costs which the Commission should take into account.

15. Particulars of any matter not mentioned in section 2(2)(a) to (h) of the 1977 Act which the person making the notification considers the Commission should have regard to in exercising any of the functions mentioned in section 2(3) of the 1977 Act.

Pay settlements

16.—(1) In a case where the person required to make the notification has made a settlement involving an increase after 11th July 1975 in the remuneration of his employees, particulars of—

(a) in each case—

- (i) the date of each such settlement, the persons to whom it applies and the date of its implementation;
- (ii) the number and description of employees to which each such settlement relates; and
- (iii) in relation to each employee, the date of the previous settlement relating to his remuneration; and

(b) in a case where such a settlement applies to more than 100 employees and provides for any payment of remuneration in respect of any period before 1st August 1977—

- (i) remuneration of employees under the settlement, being remuneration to which it appears to the person making the notification that the pay limits apply;
- (ii) remuneration of employees under the settlement, being remuneration to which it appears to that person that the pay limits do not apply;
- (iii) where the increase in remuneration of any individual employee arising after 11th July 1975 and before 1st August 1976 exceeds £6 a week, particulars of how that increase is made up; and
- (iv) where the increase in remuneration of any individual employee arising after 31st July 1976 and before 1st August 1977 may in any week exceed £4 or the greater of £2.50 and 5 per cent of total earnings for all hours worked, particulars of how that increase is made up; and

(c) a statement that remuneration of employees under each such settlement complies with the pay limits.

(2) In this paragraph—

“employee” means an employee of the person required to make the notification;

“pay limits” means the limits on remuneration mentioned in section 1 of the Remuneration, Charges and Grants Act 1975 (a);

“remuneration”, in relation to any employee, includes any benefit, facility or advantage, whether in money or otherwise, provided by the employer or by some other person under arrangements with the employer, whether for the employee or otherwise, by reason of the fact that the employer employs him;

“settlement” includes any agreement, arrangement, award or decision relating to remuneration, by whomsoever made and whether binding or not.

Market share

17.—(1) Either—

- (a) a statement that, in the opinion of the person required to make the notification, he supplies at least 15 per cent of all the goods or services supplied in the United Kingdom of the description to which the notification relates, and of the percentage amount supplied by him; or
- (b) a statement that, in the opinion of that person, he does not supply 15 per cent or more of such goods or services; or
- (c) a statement that, in the opinion of that person, information given pursuant to (a) or (b) above in a previous notification remains substantially the same.

(2) Where a percentage amount is stated pursuant to sub-paragraph (1) above, particulars of the criteria employed in determining that percentage amount.

Water authorities

18. In the case of a water authority—

- (a) estimates of its income and expenditure during the accounting year in which the proposed increased price or charge is to be implemented;
- (b) particulars, where available, of or estimates of such income and expenditure during the preceding accounting year;
- (c) the provisions of any direction given to it by a Minister and, in the case of a statutory water company, of any arrangements between the company and any other water authority relevant to the calculation of any increase specified pursuant to paragraph 8 above;
- (d) its proposals for restructuring of charges.

SCHEDULE 5

Articles 15(3)(a) and 22(1))

PART I

PERIODICAL RETURNS AND RECORDS

Paragraphs 1(2) to (4), 2, 5, 7 and 9 to 14 do not apply to water authorities.

In this Schedule

- (a) "indirect taxes" means
- (i) customs and excise duties;
 - (ii) value added tax which is, under Part I of the Finance Act 1972(a) chargeable to or by (as the case may be) the person required to make the return or to keep the record; and
 - (iii) car tax; and
- (b) "change" means any increase (including a change from a nil amount) and any decrease taking effect, in either case, after 25th March 1974.

Persons required to furnish the return or to keep the record

1.—(1) The name of the person required to furnish the return or to keep the record, his address or, in the case of a body corporate, its registered or principal office in the United Kingdom, and the address for service of notices by the Commission, if different.

(2) In the case of a company which is controlled by any person, his name and the names of all other companies controlled by him and carrying on business in the United Kingdom.

(3) In the case of a company, any change in its structure or in the identity of any company controlled by the same person (including any such change since the period to which the reference level relates).

(4) Except in the case of a local authority, the unit for profit margin control, determined in accordance with the code, to which the return or record relates; and its title and address.

Gross percentage margin

2.—(1) In the case of a distributor, particulars of the level of the gross percentage margin ascertained under paragraphs 33 and 34 of the code.

(2) The gross percentage margin as a distributor of the person required to make the return or to keep the record, the total value of sales to which it relates and—

- (a) in respect of the total value of sales, particulars of the amount of, and of any change in, indirect taxes comprised in that value and charged to or assessed on him; and
- (b) in respect of the amount, employed in the calculation of the gross percentage margin, of the cost to him of the goods concerned, particulars of the amount of, and of any change in, indirect taxes comprised in that amount.

Profits, sales and costs
(Paragraphs 3, 4, 6 and 7 do not apply to distributors.)

3. The nature of the activity or activities to which the return or record relates and the goods or services to which each activity relates.

4. Except in the case of a local authority, the total value of sales (including charges for the performance of services), the total value of such sales including indirect taxes, the total value of such sales excluding indirect taxes and any changes in the amount of indirect taxes.

5. Except in the case of a local authority—

- (a) particulars of the reference level of the net profit margin determined in accordance with the code;
- (b) particulars of the net profit margin corresponding to the reference level and the manner in which it is calculated including particulars of any change in indirect taxes comprised in any amount used in the calculation.

6. Particulars of any increase or decrease in any price or charge, specifying the goods or services concerned, the date when the price or charge was implemented and the date when the increase or decrease in the price or charge was implemented.

7.—(1) The return on capital, which shall be determined by expressing net profit, ascertained in accordance with paragraph 11(1) of the code, for the period to which the return relates, as a percentage of the amount of capital, ascertained in accordance with paragraph 23 of the code, employed in the unit for profit margin control.

(2) If, in the opinion of the person required to make the return, the return on capital ascertained by reference to the matters mentioned in sub-section (2)(c) and (d) of section 2 of the 1977 Act differs from the amount stated under sub-paragraph (1) above by 5 percentage points or more, an estimate of the return on capital ascertained by reference to those matters, the amount of which shall be calculated in a manner which is consistent with any calculation made pursuant to this sub-paragraph in any previous return under this Order.

8.—(1) Where any change takes place in the remuneration of employees of the person required to make the return or to keep the record, particulars of the matters specified in sub-paragraph (2) below.

(2) The particulars referred to in sub-paragraph (1) above are particulars of—

- (a) the date of making of each settlement ("relevant settlement") relating to remuneration mentioned in that sub-paragraph, or to any such remuneration and other remuneration, the persons by whom the settlement was made, the persons to whom it applies and the date of its implementation;
- (b) the number and description of employees to which each relevant settlement relates;
- (c) in the case of any settlement which provides for any payment of remuneration in respect of any period before 1st August 1977, remuneration of employees under each relevant settlement, being remuneration to which it appears to the person required to make the return or to keep the record that the pay limits apply;
- (d) in the case of any settlement which provides for any payment of remuneration in respect of any period before 1st August 1977, remuneration of employees under each relevant settlement, being remuneration to which it appears to that person that the pay limits do not apply; and
- (e) in relation to each employee, the date of implementation of the previous settlement relating to his remuneration;

and expressions used in this paragraph and in paragraph 16 of Schedule 4 have the meanings assigned to them by sub-paragraph (2) of that paragraph.

Special provisions relating to banks, finance houses or similar enterprises

9. In the case of enterprises mentioned in (a) to (c) of paragraph 61 of the code, the following particulars in respect of the period to which the return relates, that is to say—

- (a) in the case of enterprises falling within sub-paragraph (a) of that paragraph (enterprises undertaking plant and machinery leasing contracts) particulars of—
 - (i) net income from charges, ascertained in accordance with that sub-paragraph, for business of the description referred to therein; and
 - (ii) average resources employed;
- (b) in the case of enterprises falling within sub-paragraph (b) of that paragraph (enterprises undertaking hire-purchase etc. business), particulars of—
 - (i) net income from separately identifiable fees and charges falling within that sub-paragraph; and
 - (ii) gross income from the transactions to which those fees and charges relate; and
- (c) in the case of enterprises falling within sub-paragraph (c) of that paragraph (banks, finance houses and similar financial enterprises not falling within (a) or (b) of that paragraph), gross and net income as therein defined.

Stock relief

10.—(1) Where, in determining net profit margins or gross percentage margins, a person has applied paragraph 12 of the code (which makes provi-

sion for relief on account of increase in the value of stocks), particulars of and an indication of the reason for any increase or decrease in the value of stocks to be taken into account under that paragraph and of how net profit margins or gross percentage margins have been adjusted.

(2) In relation to the first period in which a person has obtained relief under paragraph 12 of the code or paragraph 82 of the 1976 code, particulars of—

- (a) the value of stock at the beginning of each of the two periods to which annual accounts relate last ended before the beginning of the period in which relief is obtained, as shown in those accounts, together with any necessary appropriation of such values to each activity in respect of which net profit margins fall to be separately determined for the purpose of the code and to other activities; and
- (b) the like information in respect of each period in relation to which the person in question is required to furnish a return to the Commission and which falls within the two periods referred to in (a) above:

Provided that where particulars of any matter to be specified pursuant to this paragraph are not readily available, it shall be sufficient compliance with this paragraph to furnish particulars thereof in the form of an estimate together with a description of the manner in which the estimate is made.

(3) In this paragraph “stock” has the meaning assigned to it by paragraph 12(3) of the code.

Special provisions relating to investment relief under paragraph 46 of the code

11. Particulars of—

- (a) the beginning of the investment year;
- (b) the beginning of the relief year;
- (c) expenditure on investment in the investment year and the manner in which it is calculated;
- (d) the amount of expenditure on investment in relation to the first six months of the investment year and in relation to the second six months of the investment year;
- (e) the amount of the relevant expenditure;
- (f) an estimate of turnover in the relief year;
- (g) the intended modification to the net profit margin reference level for the relief year specified pursuant to paragraph 5(a) above, being a figure found by expressing the relevant expenditure as a percentage of turnover for the relief year; and
- (h) in the case of a distributor, the intended modification to the level of the gross percentage margin for the relief year specified pursuant to paragraph 2(1) above, being a figure found by expressing the relevant expenditure as a percentage of turnover for the relief year.

Particulars relating to earlier years

12. In respect of each of the three latest complete years of account—

- (a) turnover;
- (b) the amount (and the manner in which it is calculated) which would be the expenditure on investment if, in the definition of “expenditure on investment” in paragraph 44(1) of the code, for the reference to the investment year, there were substituted references to each of those years respectively:

Provided that where particulars of any matter to be specified pursuant to this paragraph are not readily available, it shall be sufficient compliance with this paragraph to furnish particulars thereof in the form of an estimate together with a description of the manner in which the estimate is made.

Further particulars relating to the investment year and to the relief year

13. Particulars of—

- (a) each of the matters specified in paragraph 11 above on the basis of fact or of revised estimates, as the case may require;
- (b) the amount recovered in sales on account of relevant expenditure;
- (c) in a case where the enterprise has applied paragraph 47 of the code (which relates to the increasing of net profit margin reference levels and gross margins where an enterprise has unused investment relief), calculations under that paragraph; and
- (d) the amount (if any) recovered in sales on account of relevant expenditure in excess of the relevant expenditure.

14. If relief under paragraph 46 of the code has exceeded the relevant expenditure, particulars of the steps to be taken under paragraph 48 of the code.

Water authorities

15. Particulars of—

- (a) income and expenditure of a water authority during the period to which the record relates;
- (b) the provision of any direction given to it by a Minister and, in the case of a statutory water company, of any arrangement between the company and any other water authority relevant to the calculation of prices; and
- (c) steps taken in restructuring of prices.

PART II**DECLARATION**

I, [name of person making the return and the capacity in which he makes it] of [address] on behalf of [myself or name of person required to make the return if different] pursuant to article 14 of the Prices and Charges (Notification of Increases and Information) Order 1977 make this return to the Price Commission in respect of the period beginning on [date] and ending on [date] and declare that, to the best of my knowledge, information and belief, the particulars specified herein are correct and complete.

Signed: [signature of person making the return]

Date: [date of signature]

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order consolidates, with amendments, the Counter-Inflation (Notification of Increases in Prices and Charges) Order 1976 and the Counter-Inflation (Prices and Charges) (Information) Order 1976 as amended.

The Order makes provision for notification to the Price Commission of proposed increases in prices and charges, for the furnishing of periodic returns and for the keeping of records. These obligations apply primarily to firms whose sales exceed the limits specified in article 7 (notification), article 14 (periodic returns) and article 21 (record-keeping). These limits have been increased and are as follows—

<i>Sector</i>	<i>Notification</i>	<i>Periodic returns</i>	<i>Record-keeping</i>
Manufacture	£12,000,000	£12,000,000	£2,400,000
Distribution	—	£18,000,000	£ 600,000
Commercial Services	£ 9,000,000	£ 9,000,000	£ 600,000
Construction	—	£ 9,000,000	£2,400,000
Professional Services	—	£ 900,000	£ 240,000

The other principal changes are—

- (a) The information which is required to be furnished to the Price Commission with notifications of proposed increases in prices and charges is substantially changed to take account of new functions of the Price Commission under the Price Commission Act 1977 (Schedule 4).
- (b) Exemption from the obligation to notify proposed increases to the Price Commission is given in respect of certain prices and charges which were not previously exempt (Schedule 3, paragraphs 8, 15, 27-30).

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