

ELIZABETH II



Commonwealth Development Corporation Act 1986

1986 CHAPTER 25

An Act to extend the powers of the Commonwealth Development Corporation; to enable the Secretary of State to make grants to the Corporation; and to enable him to impose restrictions on, and to give guarantees in respect of, borrowing by the Corporation's subsidiaries. [26th June 1986]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

- 1.—(1) The Commonwealth Development Corporation Act 1978 shall be amended as follows.
- (2) In section 2 (powers of Corporation)—
- (a) in subsection (2)(b) for the words “in those countries” there shall be substituted the words “in those or other overseas countries”;
- (b) in subsection (2)(e) for the words “any such functions as are mentioned in paragraph (d) above” there shall be substituted the words “any functions which the Corporation is empowered to perform by virtue of any of paragraphs (a) to (d) above or to assist the Corporation to perform any of those functions”;
- (c) at the end of subsection (3) there shall be inserted the words “; and the power conferred by paragraph (d) of that subsection to give assistance may be exercised
- Amendments
of
Common-
wealth
Development
Corporation
Act 1978.
1978 c. 2.

indirectly by giving assistance to a body which will in turn assist other bodies or persons to perform any of the functions mentioned in that paragraph.”

(3) In section 9 (borrowing by Corporation)—

(a) after subsection (2) there shall be inserted—

“(2A) It shall be the duty of the Corporation to secure that none of its wholly-owned subsidiaries borrows otherwise than from the Corporation or from another of its wholly-owned subsidiaries except with the approval of the Secretary of State given with the consent of the Treasury as to the matters mentioned in subsection (2) above.”;

(b) in subsection (3) for the words “ subsection (2) above ” there shall be substituted the words “ subsection (2) or (2A) above ”.

(4) After section 10 (advances by Secretary of State) there shall be inserted—

“ Grants to Corporation by Secretary of State.

10A.—(1) The Secretary of State may, after consultation with the Corporation and with the consent of the Treasury, make to the Corporation grants of amounts to be applied by the Corporation in accordance with such directions, if any, as may be given to it by the Secretary of State.

(2) Any sums required by the Secretary of State for the purpose of grants made to the Corporation under this section shall be paid out of money provided by Parliament.”

(5) In section 11 (guarantees)—

(a) after subsection (1) there shall be inserted—

“(1A) The Secretary of State may, with the approval of the Treasury, guarantee in such manner and on such conditions as he thinks fit the repayment of the principal of, and the payment of interest and other charges on, any borrowings of a subsidiary of the Corporation made otherwise than from the Corporation.”;

(b) after subsection (3) there shall be inserted—

“(3A) Immediately after any guarantee is given under subsection (1A) above or any sum is issued for fulfilling such a guarantee, the Secretary of State shall lay a statement of the guarantee or, as the case may be, a statement relating to that sum before each House of Parliament.”; and

(c) at the end of subsection (4) there shall be inserted the words “ and any sums required by the Secretary of State for fulfilling any guarantee given under subsection (1A) above shall be paid out of money provided by Parliament.”.

(6) In section 12(2)(a) (repayment by Corporation of sums issued in fulfilment of guarantees) for the words “ section 11(1) above ” there shall be substituted the words “ section 11(1) or (1A) above ”.

(7) In section 17(1) (definitions) the word “ and ” at the end of the definition of “ new Commonwealth country ” shall be omitted and after the definition of “ overseas country ” there shall be inserted the words “ and

“ subsidiary ” and “ wholly-owned subsidiary ” shall be construed in accordance with section 736 of the Companies Act 1985.”;

and paragraph (b) of section 9A(6) (which is replaced by the foregoing provision) is hereby repealed together with the word “ and ” immediately preceding it.

2.—(1) This Act may be cited as the Commonwealth Development Corporation Act 1986.

Short title,
citation and
extent.

(2) The Commonwealth Development Corporation Act 1978, the Commonwealth Development Corporation Act 1982 and this Act may be cited together as the Commonwealth Development Corporation Acts 1978 to 1986.

1978 c. 2.
1982 c. 54.

(3) This Act extends to Northern Ireland.

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