



# Finance Act 1916

## 1916 CHAPTER 24

### PART IV

#### NATIONAL DEBT AND LOANS

#### **58 Limited power to borrow on Exchequer bonds for Ways and Means purposes**

- (1) The Treasury may during the continuance of the present war and a period of six months thereafter borrow for the purpose of raising any sums which they are authorised to issue out of the consolidated fund under any Consolidated Fund Act or Appropriation Act or for the purpose of paying off any securities issued under any such Act in the same manner as they are authorised to borrow under subsection (1) of section one of the War Loan Act, 1915:

Provided that any securities issued under this section shall be repaid or redeemed not later than five years after the date on which they are issued.

- (2) Subsections (2) and (3.) of section one of the War Loan Act, 1914, and subsection (2) and (3) of section fourteen of the Finance Act, 1914 (Session 2), shall apply to any sums borrowed under this section.

#### **59 Suspension of new sinking fund**

In the financial year ending the thirty-first day of March nineteen hundred and seventeen, that portion of the permanent annual charge for the national debt which is not required for the annual charges directed by the National Debt and Local Loans Act, 1887, or any other Act, to be paid out of that charge, shall not be paid. .

#### **60 Arrangements for exchange of securities issued under War Loan Acts**

During the continuance of the present war and a period of six months thereafter, the Treasury may, for the purpose of carrying out any arrangement made by them for the exchange of securities issued under any War Loan Act passed during the continuance

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of the war, provide for the issue of new securities for the purpose of the exchange and for the cancellation of the securities received in exchange.

**61 Power to transfer Exchequer bonds in satisfaction of death duties**

- (1) Any person from whom any sum is due on account of any death duty may pay that sum or any part thereof by means of the transfer in accordance with regulations made by the Treasury to the Commissioners of Inland Revenue of an equal amount of any Exchequer bonds forming part of an issue which may be approved by the Treasury for the purpose, and any Exchequer bonds so transferred shall be accepted by the Commissioners in satisfaction of the " amount.
- (2) Any Exchequer bonds so transferred shall be deemed to mature for payment on the date of the transfer, and the principal and interest of the bond when received by the Commissioners of Inland Revenue shall be brought into account as death duty revenue in such manner as the Treasury direct.
- (3) Exchequer bonds shall for the purposes of this section be deemed to be of the amount of their nominal value with the addition of any interest accrued due but remaining unpaid.

**62 Repeal of 29 & 30 Vict. c.25 s.4**

Section four of the Exchequer Bills and Bonds Act, 1866 (which relates to the counterfoils of Exchequer Bills), shall cease to have effect.

**63 Exemption from taxation of municipal securities issued in America**

Any securities issued in the United States of America by a municipal corporation, county council, or other local authority in the United Kingdom for the purpose of raising any money which they are authorised to borrow, if issued under the authority of the Treasury, shall not be liable to any taxation present or future, except where they are held by persons domiciled in the United Kingdom or by British subjects ordinarily resident in the United Kingdom.

The expression " local authority" in this section includes the Metropolitan Water Board and any other public body which is recognised as a local authority for the purposes of this section by the Local Government Board.

**64 Payment of interest on Exchequer bonds in certain cases without deduction of income tax**

The Treasury may direct that any Exchequer bonds issued under their authority during the continuance of the present war and a period of six months thereafter shall be issued or shall be deemed to have been issued subject to the condition that the interest on those bonds shall be paid without deduction of income tax, and the interest shall be so paid accordingly ; but any such interest shall be accounted for and charged to income tax under the third case of Schedule D, subject, however, to any provisions of the Income Tax Acts with respect to exemptions or abatements.

## **65 Lost or destroyed Exchequer bonds**

Where the Bank of England are satisfied that any Exchequer bond, Or any other bond to bearer issued by them on behalf of the Treasury, or any coupon of any such bond has been lost or destroyed, they may, if they think fit, and on such conditions as they think fit, but subject to any general directions of the Treasury, issue a new bond or coupon on receiving indemnity to their satisfaction against the claims of all persons deriving title under the bond or coupon lost or destroyed.

In the application of this section to bonds issued through the Post Office the Postmaster-General shall be substituted for the Bank of England.

## **66 Transfer of stock on authority of order of a court**

Any order or decree of any court in the United Kingdom whereby the right to transfer or call for a transfer of any Government stock or to receive any dividends thereon is expressed to be vested in any person shall be sufficient authority to the Banks of England and Ireland, to the National Debt Commissioners, to the Postmaster-General, and to any savings bank authority to allow the transfer of the stock or to pay the dividends in accordance with the order or decree.

An official extract of any such appointment as is mentioned in section thirteen of the Judicial Factors (Scotland) Act, 1889, shall, where any Government stock is specified in such official extract or in a certificate under seal by the accountant of court produced along with such extract as belonging to or forming part of the estate under the charge of the person named in the extract, be deemed for the purposes of this section to be a decree whereby the right to transfer such Government stock is vested in the person so named.

In this section the expression " Government stock " has the same meaning as in the Savings Bank Act, 1893, as amended by any subsequent enactment.

## **67 Indemnity on transfer of Government stock**

Where any Government stock is transferred by virtue of section forty-eight of the Finance (No. 2) Act, 1915, on the authority of any probate, confirmation, or letters of administration, or by virtue of this Act on the authority of any order or decree of any court, the Bank of England or Ireland, the National Debt Commissioners, the Postmaster-General, or the savings bank authority, as the case may be, shall be indemnified and protected, notwithstanding any defect or circumstance whatsoever affecting the validity of such probate, confirmation, or letters of administration, or of such order or decree.

## **68 Extension of section 2 of Government War Obligations Act, 1915**

- (1) Subsection (1) of section two of the Government War Obligations Act, 1915, shall apply, and shall be deemed always to have applied, to the sale of securities to the Treasury and to securities sold to the Treasury in the same manner as it applies to the giving of securities to the Treasury in exchange for Government securities and to securities so given in exchange.
- (2) The authority and indemnity given to persons holding securities under subsection (1) of section two of the Government War Obligations Act, 1915, shall apply, and shall be deemed always to have applied, to directors of a company, and to any person

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holding securities on behalf of any corporation or body of persons depositing securities or giving them in exchange, or selling securities, in pursuance of that subsection as amended by this Act, notwithstanding any want of authority from the company, corporation, or body of persons.

- (3) It is hereby declared that subsection (4) of section two of the Government War Obligations Act, 1915 (which removes certain disqualifications attaching to Members of Parliament in connexion with the deposit, exchange, and sale of securities under a Treasury securities deposit scheme), applies to any transactions in connexion with any such deposit, exchange, or sale as it applies to the deposit, exchange, or sale.