

1972 No. 731 (N.I.4)

NORTHERN IRELAND

**The Northern Ireland Finance Corporation
(Northern Ireland) Order 1972**

<i>Made</i>	- - -	11th May 1972
<i>Laid before Parliament</i>		16th May 1972
<i>Coming into Operation</i>		17th May 1972

At the Court at Buckingham Palace, the 11th day of May 1972

Present,

The Queen's Most Excellent Majesty in Council

Whereas it has been made to appear to Her Majesty that by reason of urgency this Order requires to be made without a draft having been approved by resolution of each House of Parliament:

Now, therefore, Her Majesty, in exercise of the powers conferred by section 1(3) of the Northern Ireland (Temporary Provisions) Act 1972(a), and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

Title and commencement

1. This Order may be cited as the Northern Ireland Finance Corporation (Northern Ireland) Order 1972 and shall come into operation on 17th May 1972.

Interpretation

2.—(1) The Interpretation Act (Northern Ireland) 1954(b) shall apply for the interpretation of the following provisions of this Order as it applies for the interpretation of an Act of the Parliament of Northern Ireland.

(2) In this Order—

“the Comptroller and Auditor-General” means the Comptroller and Auditor-General for Northern Ireland;

“the Corporation” means the Northern Ireland Finance Corporation established under the provisions of this Order;

“the Minister” means the Minister of Commerce;

“the Ministry” means the Ministry of Commerce.

(a) 1972 c. 22.

(b) 1954 c. 33 (N.I.).

(3) So long as section 1 of the Northern Ireland (Temporary Provisions) Act 1972 has effect—

- (a) any reference in this Order to the Minister of Commerce or to a department of the Government of Northern Ireland has effect subject to the provisions of that Act; and
- (b) paragraph 4(5) of the Schedule to that Act applies to any order made under Article 12.

The Northern Ireland Finance Corporation

3.—(1) There shall be established a body corporate with perpetual succession to be called the Northern Ireland Finance Corporation to which, subject to the provisions of this Order, section 19 of the Interpretation Act (Northern Ireland) 1954 shall apply.

(2) The Corporation shall exercise such functions as are conferred on it by this Order.

(3) The Corporation shall consist of a chairman and not less than six nor more than eleven other members.

(4) The members of the Corporation shall be appointed by the Minister.

(5) The Minister shall appoint a member of the Corporation to be its chairman and another member to be its managing director.

(6) The members of the Corporation shall be appointed from among persons who appear to the Minister to have wide experience of, and to have shown capacity in, industry, commercial or financial matters, administration or the organisation of workers and shall include an officer of the Ministry and an officer of the Ministry of Finance.

(7) The Corporation shall not be regarded as the servant or agent of the Crown or as enjoying any status, immunity or privilege of the Crown or as exempt from any tax, duty, rate, levy, or other charge whatsoever, whether general or local, and its property shall not be regarded as the property of, or property held on behalf of, the Crown.

(8) The provisions of the Schedule shall have effect as respects the Corporation.

The Corporation's functions

4.—(1) The Corporation may, for the purpose of assisting the economy of Northern Ireland—

- (a) assist any undertaking in Northern Ireland if, in the opinion of the Corporation, the undertaking might otherwise be forced to reduce its business activities or to close down, with adverse repercussions on that economy;
- (b) assist and encourage undertakings established in Northern Ireland to expand or undertake new investment in Northern Ireland;
- (c) assist and encourage undertakings to become established in Northern Ireland.

- (2) The Corporation may in exercising its functions under paragraph (1)—
- (a) acquire or subscribe for, hold and dispose of shares or stock;
 - (b) make loans; and
 - (c) give guarantees with respect to loans made by others;

but the Corporation shall not without the approval of the Ministry acquire shares or stock in the open market.

(3) Where assistance is provided under this Article it shall be provided subject to such conditions (including, in the case of a loan, conditions for repayment) as the Corporation may determine.

(4) The Corporation shall not assist any undertaking under this Article unless—

- (a) the undertaking appears to the Corporation to have prospects of remaining solvent or of attaining solvency;
- (b) the Corporation is satisfied that the management of the undertaking is capable of achieving the objectives towards which assistance is to be provided or can be reconstituted to make it so; and
- (c) the Corporation is satisfied that the undertaking is suitably organised, or is capable of re-organisation (either separately or in conjunction with other undertakings) to achieve the objectives towards which assistance is to be provided.

(5) The Corporation shall have power to do anything which—

- (a) after consultation, where it appears appropriate, with the Ministry of Health and Social Services, the Corporation thinks desirable to promote and encourage the good management of any undertaking seeking or receiving assistance under this Article; and
- (b) after consultation, where it appears appropriate, with the Ministry, the Corporation thinks desirable to promote and encourage the most efficient form of organisation for achieving the objectives of any undertaking seeking or receiving assistance under this Article.

(6) The Corporation shall have power to conduct or commission such investigations into the affairs of an undertaking seeking or receiving assistance under this Article as it thinks fit.

(7) The Minister may, after consultation with the Corporation, give to the Corporation directions of a general or specific nature as to the manner in which it is to discharge its functions under this Order and the Corporation shall act in accordance with those directions.

(8) Section 13(1) of the Prevention of Fraud (Investments) Act (Northern Ireland) 1940^(a) (prohibition on distributing circulars relating to investments) shall not apply to documents which the Corporation distributes in the discharge of its functions or causes to be so distributed or has in its possession for the purpose of distribution as aforesaid.

(9) In this Article—

“undertaking” means any trade, business or other activity providing employment.

(a) 1940 c. 9 (N.I.).

Advances to Corporation from Consolidated Fund and payments to Ministry

5.—(1) The Ministry may make advances to the Corporation of such amounts and on such terms as may be approved by the Ministry of Finance.

(2) The Ministry of Finance may issue to the Ministry out of the Consolidated Fund such sums as are necessary to enable the Ministry to make advances under paragraph (1).

(3) The Ministry of Finance may borrow money for the purpose of providing for issues out of the Consolidated Fund under paragraph (2).

(4) The Ministry may, with the approval of the Ministry of Finance, require the Corporation to pay to the Ministry out of any moneys which appear to the Ministry to be surplus to the requirements of the Corporation such sums as the Ministry may determine.

(5) Moneys paid to the Ministry pursuant to paragraph (4) and moneys paid to the Ministry of Finance pursuant to Article 6(4) shall be payable into the Exchequer.

Borrowing

6.—(1) The Corporation may, with the approval of the Ministry and the Ministry of Finance, borrow money.

(2) The Ministry of Finance may guarantee, in such manner and on such conditions as it may think fit, the repayment of the principal of, and the payment of interest on, any sums which the Corporation borrows from any person.

(3) Any sums required by the Ministry of Finance for fulfilling a guarantee under paragraph (2) shall be charged on and issued out of the Consolidated Fund.

(4) If any sums are issued in fulfilment of any guarantee given under paragraph (2), the Corporation shall make to the Ministry of Finance at such time and in such manner as the Ministry of Finance may from time to time direct, payments of such amounts as the Ministry of Finance, after consultation with the Ministry, may so direct in or towards repayment of the sum so issued, and payment of interest on what is outstanding for the time being in respect of sums so issued at such rate as the Ministry of Finance may so direct.

(5) The Ministry of Finance shall include with the Finance Accounts presented to Parliament under section 10(2) of the Exchequer and Financial Provisions Act (Northern Ireland) 1950(a)—

- (a) a statement of the total amount of the guarantees if any, given under paragraph (2) during the then last preceding financial year; and
- (b) an account up to the end of that financial year of the total sums, if any, which have been issued out of the Consolidated Fund under paragraph (3) or paid to the Ministry of Finance under paragraph (4).

(a) 1950 c. 3 (N.I.).

Contributions towards expenses of the Corporation

7. The Ministry may with the approval of the Ministry of Finance and subject to such conditions as the Ministry may determine, make contributions to the Corporation towards defraying—

- (a) the administrative expenses incurred or likely to be incurred in each financial year by the Corporation in carrying out its functions;
- (b) any loss incurred by the Corporation in respect of or in connection with any shares or stock acquired or subscribed for under Article 4(2)(a) or any loan given under Article 4(2)(b);
- (c) any sum required by the Corporation for fulfilling a guarantee given under Article 4(2)(c).

Limit on guarantee by Corporation and Ministry of Finance and sums advanced to the Corporation

8. The aggregate of the amounts for the time being outstanding in respect of—

- (a) the principal of any loans in respect of which guarantees have been given by the Corporation under Article 4(2)(c);
- (b) the principal of any loans advanced to the Corporation under Article 5(1); and
- (c) the principal of any loans in respect of which guarantees have been given by the Ministry of Finance under Article 6(2);

shall not exceed £50 million.

Accounts and audits

9.—(1) The Corporation shall keep proper accounts and proper records in relation to the accounts and shall prepare in respect of each financial year a statement of accounts in such form as the Ministry, with the approval of the Ministry of Finance, may direct.

(2) The accounts of the Corporation shall be audited by auditors appointed by the Corporation with the approval of the Ministry and shall be vouched to the satisfaction of such auditors.

(3) The Corporation shall, at such time in each year as the Ministry may direct, transmit copies of the annual statement of accounts, certified by the Auditors, to the Ministry and to the Comptroller and Auditor-General.

(4) The Comptroller and Auditor-General shall examine a copy of each annual statement of accounts and shall make a report thereon and shall send copies of that report to the Ministry and the Corporation and may in connection with such examination examine any accounts kept by the Corporation and any records relating thereto.

Reports

10.—(1) The Corporation shall as soon as possible—

- (a) within a period of three months after the 31st March 1973; and
- (b) within a period of three months after the end of each subsequent financial year,

make to the Minister a report, in such form and containing such information as the Ministry may direct, on the performance of its functions in the case of paragraph (a) up to 31st March 1973 and in the case of paragraph (b) during the financial year mentioned in that paragraph.

(2) The Minister shall lay before each House of Parliament a copy of each report made to him under this Article together with a copy of each annual statement of accounts transmitted to him under Article 9(3) and of the report made by the Comptroller and Auditor-General thereon under Article 9(4).

Disclosure of information to the Ministry

11.—(1) The Corporation shall provide the Ministry with such returns and information relating to its activities as the Ministry may require.

(2) For that purpose, the Corporation shall permit any person authorised by the Ministry in that behalf to inspect and make copies of its accounts, books, documents and papers and shall afford such explanation thereof as that person or the Ministry may reasonably require.

Cesser of Corporation's powers

12.—(1) The Corporation's powers under Article 4(2) shall cease on 31st March 1975 or such later date as the Minister may by order made subject to affirmative resolution prescribe.

(2) Subject to paragraph (3), the Ministry may by order made subject to affirmative resolution make provision for and in connection with the dissolution of the Corporation.

(3) On the dissolution of the Corporation for any reason whatsoever, the Corporation's property and any rights or liabilities to which it is entitled or subject shall vest in the Ministry, and may be enforced by and against the Ministry accordingly in its own name.

Expenses of Ministry

13. Any expenses incurred by the Ministry under this Order other than payments which the Ministry is authorised by virtue of any other provision of this Order to defray out of the Consolidated Fund shall be defrayed out of moneys hereafter appropriated for the purposes of meeting those expenses.

W. G. Agnew.

SCHEDULE
THE CORPORATION
Members

1.—(1) A member of the Corporation shall hold and vacate his office in accordance with the terms of his appointment and shall, on ceasing to hold his office, be eligible for re-appointment.

(2) Any member may at any time by notice in writing to the Minister resign his office.

2.—(1) Before appointing a person to be a member of the Corporation the Minister shall satisfy himself that that person will have no such financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of the Corporation, and the Minister shall also satisfy himself from time to time with respect to every member of the Corporation that he has no such interest; and any person who is, or whom the Minister proposes to appoint to be, a member of the Corporation shall, whenever requested by the Minister so to do, furnish to him such information as the Minister considers necessary for the performance by the Minister of his duties under this sub-paragraph.

(2) A member of the Corporation who is in any way, directly or indirectly, interested in a transaction or project of the Corporation shall disclose the nature of his interest at a meeting of the Corporation; and the disclosure shall be recorded in the minutes of the Corporation, and the member shall not take part in any deliberation or decision of the Corporation with respect to that transaction or project.

(3) For the purposes of the last foregoing sub-paragraph, a general notice given at a meeting of the Corporation by a member of the Corporation to the effect that he is a member of a specified company or firm and is to be regarded as interested in any transaction or project of the Corporation concerning the company or firm shall be regarded as a sufficient disclosure of his interest in relation to that transaction or project.

(4) A member of the Corporation need not attend in person at a meeting of the Corporation in order to make any disclosure which he is required to make under this paragraph if he takes reasonable steps to secure that the disclosure is made by a notice which is brought up and read at the meeting.

3.—(1) The Corporation shall pay to the members thereof such salaries or fees, and such allowances, as the Ministry may, with the approval of the Ministry of Finance, determine; and where a member of the Corporation is in the employ of any other person the Corporation may make to that other person in consideration of the services to the Corporation of that member such payments as the Ministry may, with the approval of the Ministry of Finance, determine.

(2) The Corporation may, as regards any members in whose case the Ministry may so determine with the approval of the Ministry of Finance, make provision for, or pay to, or in respect of them, such pensions or gratuities as may be so determined.

(3) If a person ceases to be a member of the Corporation and it appears to the Ministry that there are special circumstances which make it right that that person should receive compensation, the Ministry may, with the approval of the Ministry of Finance, require the Corporation to pay to that person a sum of such amount as the Ministry may, with the approval of the Ministry of Finance, determine.

4. The Minister may, by notice in writing addressed to a member, terminate his appointment as a member of the Corporation if of the opinion that he is unfit to continue in office or is incapable of performing his duties as a member.

5.—(1) In the Part substituted by section 10 of and Schedule 3 to the House of Commons Disqualification Act 1957(a) for Part II of Schedule 1 to that Act (which substituted Part lists bodies of which all the members are disqualified for membership of the Senate and House of Commons of Northern Ireland) the following entry shall be inserted at the appropriate point in alphabetical order:—

The Northern Ireland Finance Corporation.

(2) In Part II of Schedule 1 to the Commissioner for Complaints Act (Northern Ireland) 1969(b) (public bodies subject to investigation) the following entry shall be inserted at the appropriate point in alphabetical order:—

The Northern Ireland Finance Corporation.

Proceedings

6. The validity of any act or proceedings of the Corporation shall not be affected by any vacancy among the members or by any defect in the appointment of any member.

7. The quorum of the Corporation and the arrangements relating to meetings of the Corporation shall be such as the Corporation may determine.

8. The fixing of the common seal of the Corporation shall be authenticated by the signature of the chairman of the Corporation or some other member thereof authorised either generally or specially by the Corporation to act for that purpose.

Staff

9.—(1) The Corporation may, in the case of such persons employed by it as may be determined by the Corporation with the approval of the Ministry and the Ministry of Finance, pay to or in respect of them such pensions or gratuities, or provide and maintain for them such pension schemes (whether contributory or not) or contributory or other pension arrangements as may be so determined.

(2) Where any person employed by the Corporation, being a participant in any pension scheme applicable to his employment, becomes a member of the Corporation he may be treated for the purposes of the pension scheme as if his service as a member of the Corporation were service as a person employed by the Corporation, and in that event his rights under the scheme shall not be affected by paragraph 3(2).

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order establishes the Northern Ireland Finance Corporation for the purpose of providing assistance to businesses and other undertakings in aid of the economy of Northern Ireland. The powers conferred by Article 4(2) to give financial assistance will expire on 31st March 1975 unless extended under Article 12.

(a) 1957 c. 20.

(b) 1969 c. 25 (N.I.).

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