



Exchange Equalisation Account Act 1979

1979 CHAPTER 30

1 The Exchange Equalisation Account

- (1) There shall continue to be an account called the Exchange Equalisation Account (in this Act referred to as "the Account").
- (2) The Account shall continue to be under the control of the Treasury.
- (3) The Account is to be used—
 - (a) for checking undue fluctuations in the exchange value of sterling;
 - (b) for securing the conservation or disposition in the national interest of the means of making payments abroad;
 - (c) for the purpose specified in section 1(3) of the International Monetary Fund Act 1979 (payment of charges under section 8 of Article V of the Articles of Agreement of the International Monetary Fund); and
 - (d) for carrying out any of the functions of the Government of the United Kingdom under those of the said Articles of Agreement which relate to special drawing rights.

2 The Account's funds

- (1) There shall be issued to the Account out of the National Loans Fund, at such times and in such manner as the Treasury may direct, such sums as the Treasury may determine.
- (2) Sums issued to the Account under subsection (1) above or under section 7(1) of the National Loans Act 1968 (which corresponded to subsection (1) above) and which are for the time being outstanding shall constitute a liability of the Account to the National Loans Fund.
- (3) If at any time the Treasury are of opinion that the assets in sterling of the Account are for the time being in excess of what is required for the purposes of the Account, the Treasury may direct that the excess shall be paid into the National Loans Fund.

3 Investment of the Account's funds

- (1) The Treasury may cause any funds in the Account to be invested—
 - (a) in securities or in the purchase of gold, or
 - (b) in the acquisition of special drawing rights under the Articles of Agreement of the International Monetary Fund.
- (2) Any special drawing rights received or disposed of by the Government of the United Kingdom shall, in the case of receipts, be treated as assets of the Account, and in the case of disposals, be transferred from the Account.
- (3) In subsection (1)(a) above " securities " includes securities and assets in currency of any country and in whatever form held.

4 Examination and certification of the Account

The Account shall in every year be examined by the Comptroller and Auditor General in such manner as he, in his discretion, thinks proper with a view to ascertaining whether the operations on and the transactions in connection with the Account have been in accordance with the provisions of this Act, and he shall certify to the House of Commons whether in his opinion, having regard to the result of the examination, the operations on and the transactions in connection with the Account have or have not been in accordance with the provisions of this Act.

5 Short title, repeals and commencement

- (1) This Act may be cited as the Exchange Equalisation Account Act 1979.
- (2) The enactments specified in the Schedule to this Act are hereby repealed to the extent specified in the third column of that Schedule.
- (3) This Act shall come into force on the expiration of the period of one month from the date on which it is passed.