



British Telecommunications Act 1981

1981 CHAPTER 38

PART I

NEW CORPORATION FOR THE PROVISION OF TELECOMMUNICATION AND DATA PROCESSING SERVICES

The Corporation

1 The Corporation

- (1) There shall be established a public corporation to be called British Telecommunications (in this Act referred to as " the Corporation ").
- (2) The Corporation shall have such powers and duties as are conferred and imposed on it by or by virtue of the following provisions of this Part; so however that, until such day as the Secretary of State may by order made by statutory instrument appoint (in this Act referred to as " the appointed day "), the purpose for which the Corporation's powers are exercised shall be restricted to the preparation for the taking over by it of functions theretofore discharged by the Post Office.
- (3) The Corporation shall consist of a chairman and of other members, who may be full-time or part time.
- (4) The number of the other members of the Corporation shall not exceed twelve nor fall short of—
 - (a) three, as regards the period beginning with the day on which this Act is passed and ending with the day immediately preceding the appointed day; and
 - (b) six, after the expiration of that period.
- (5) The chairman of the Corporation shall be appointed by the Secretary of State, and the other members of the Corporation shall be appointed by the Secretary of State after consultation with the chairman.
- (6) Schedule 1 shall have effect as respects the Corporation and the members thereof.

Powers and duties of the Corporation

2 Powers of the Corporation

- (1) The Corporation shall have power—
- (a) to provide telecommunication and data processing services;
 - (b) to perform services for the Post Office or any subsidiary of the Post Office;
 - (c) to perform services for Her Majesty's Government in the United Kingdom, Her Majesty's Government in Northern Ireland or the government of a country or territory outside the United Kingdom ; and
 - (d) to perform services for local authorities or national health service authorities.
- (2) The powers conferred on the Corporation by subsection (1) shall include power—
- (a) to construct, manufacture, produce, purchase, take on hire or hire-purchase, install, maintain and repair anything required for the purposes of its business or the business of any of its subsidiaries;
 - (b) to construct, manufacture, produce or purchase for supply to the Post Office or any subsidiary of the Post Office anything required for the purposes of the business of the Post Office or the subsidiary and to install, maintain, repair and test for the Post Office or any subsidiary of the Post Office anything so required ;
 - (c) to construct, manufacture, produce or purchase for supply to outside persons any articles a function of which necessarily involves the use of telecommunications, and to install, maintain, repair and test for such persons articles of such a kind;
- and for the purposes of paragraph (c) two or more articles constructed, manufactured, produced or purchased for supply as one unit shall be treated as one article.
- (3) The Corporation shall have power, for the purpose of securing the effective exercise of any of the powers conferred on it by the foregoing subsections, or in connection with or in consequence of an exercise thereof, to do anything that appears to the Corporation to be requisite, advantageous or convenient for it to do, including in particular (but without prejudice to the generality of the foregoing words) power—
- (a) to provide others with the services of persons employed by it for the purpose of undertaking for them tasks of a kind which, in the course of the provision or performance by it of any service falling within subsection (1), are undertaken by persons so employed;
 - (b) to provide, for the benefit of others, consultancy and advisory services concerning anything that it does in exercise of its powers or has power to do and facilities for the training of persons for any purpose connected with anything that it so does or has power to do;
 - (c) to construct, manufacture, produce or purchase for supply to outside persons any articles of a kind similar to any required as mentioned in subsection (2) (a) or (b), and to install, maintain, repair and test for such persons articles of such a kind;
 - (d) to enter into and carry out agreements with any person for the carrying on by him, whether as its agent or otherwise, of any of the activities which itself may carry on or for the carrying on jointly by him and it of any of those activities ;
 - (e) to acquire land which is required by it for, or in connection with, the exercise of its powers or as to which it can reasonably be foreseen that it will be so required;

- (f) to dispose (whether absolutely or for a term of years) of any part of its undertaking or any property which in its opinion is not required by it for or in connection with the exercise of its powers and, in particular, to dispose of an interest in, or right over, any property which, subject to the interest or right, is retained by it;
- (g) for the purposes of its business, to subscribe for or acquire any securities of an incorporated company or other body corporate, to procure its admission to membership of an incorporated company limited by guarantee and not having a share capital, to promote the formation of an incorporated company or participate in the promotion of such a company or to acquire an undertaking or part of an undertaking;
- (h) to give or lend money to, or give a guarantee for the benefit of, any person with whom it has entered into an agreement by virtue of paragraph (d) for the purpose of enabling him to carry out the agreement and, for the purposes of its business, to give or lend money to, or give a guarantee for the benefit of, any other person for the purposes of an undertaking carried on by him or, where that person is a body corporate, an undertaking carried on by a subsidiary of that person;
- (i) to do anything for the purpose of advancing the skill of persons employed by it or that of persons who, though not so employed, are engaging themselves, or have it in contemplation to engage themselves, in work of a kind in the case of which it has or may have a direct or indirect concern in the products thereof;
- (j) to promote (either by prosecuting it itself or by its promoting it by others) research into matters which affect, or arise out of, the carrying on of its business, or other matters which, though not such as aforesaid, are such as to which it appears to it that advantage will or may accrue to it as a consequence of research's being prosecuted into them;
- (k) to promote the doing of such work as is requisite to enable there to be turned to account—
 - (i) the results of research (whether promoted by it or not) into matters affecting, or arising out of, the carrying on of its business;
 - (ii) the results of research promoted by it into other matters;
- (l) to provide assistance (including financial assistance) to, or promote the activities of, any institution or person if, in its opinion, the consequences of doing so will enure for its benefit;
- (m) to provide houses, hostels and other like accommodation for persons engaged in its business;
- (n) to make loans to persons employed by it (including in particular, loans to assist them to acquire housing accommodation) and to guarantee loans made to persons so employed (including, in particular, loans made by building societies and other bodies for housing purposes);
- (o) to promote recreational activities for, and activities conducing to the welfare of, persons who are, or have been, employed by it, have been engaged in the business of the Post Office or have been officers, servants or agents of the Postmaster General and the families of such persons and to assist the promotion by others of such activities;

and may turn its resources to account so far as not required for the purposes of its business.

- (4) The Corporation shall have power to furnish any authority or person outside the United Kingdom with assistance (whether financial, technical or of any other nature) if, in its opinion, the consequences of doing so will enure for its benefit.
- (5) The Corporation may, with the consent of the Secretary of State, promote, and may, without any such consent, oppose, Bills in Parliament, proposed Measures in the Northern Ireland Assembly and orders under the Private Legislation Procedure (Scotland) Act 1936.
- (6) For the avoidance of doubt, it is hereby declared that the foregoing provisions of this section relate only to the capacity of the Corporation as a statutory corporation, and nothing in those provisions shall be construed as authorising the disregard by it of any enactment or rule of law.
- (7) The provisions of this section shall not be construed as limiting any power of the Corporation conferred by or under any subsequent provision of this Act.
- (8) Nothing in this section shall be taken to confine the exercise of the powers thereby conferred on the Corporation to the British Islands.

3 General duty of the Corporation

- (1) It shall be the duty of the Corporation (consistently with any directions given to it under the following provisions of this Part) so to exercise its powers as to provide throughout the British Islands (save in so far as they are provided by other persons or the provision thereof is, in its opinion, impracticable or not reasonably practicable) such telephone services as satisfy all reasonable demands for them.
- (2) It shall also be the duty of the Corporation, in exercising its powers, to have regard to—
 - (a) efficiency and economy;
 - (b) the social, industrial and commercial needs of the British Islands with respect to matters that are subserved by its powers;
 - (c) the desirability of improving and developing its operating systems; and
 - (d) developments in the fields of telecommunications and data processing.
- (3) Subsection (1) shall not be taken to preclude the interruption, suspension or restriction, in the case of emergency, of any telephone service provided by the Corporation.
- (4) Nothing in this section shall be construed as imposing upon the Corporation, either directly or indirectly, any form of duty or liability enforceable by proceedings before any court.
- (5) References in this section to the provision of telephone services do not include references to the supply to any subscriber, for use in connection with such services, of any apparatus apart from a single telephone instrument.

4 Redistribution of property, rights and liabilities among wholly owned subsidiaries

- (1) Subject to subsection (5), the Corporation may make schemes—
 - (a) for the reorganisation, amalgamation or dissolution of any of its wholly owned subsidiaries;

- (b) for the transfer, between the Corporation and any such subsidiary or between one such subsidiary and another, of any specified property, rights or liabilities, or of all property, rights and liabilities comprised in a specified part of the transferor's undertaking.
- (2) A scheme under subsection (1) may contain such supplementary, incidental and consequential provisions as may appear to the Corporation to be necessary or expedient.
- (3) Without prejudice to the generality of subsection (2), a scheme under subsection (1) (b) which transfers to a subsidiary property, rights and liabilities comprised in a part of the transferor's undertaking concerned with the provision of services which, by virtue of the provisions of this Part, the Corporation has the exclusive privilege of providing may provide that such enactments relating to the provision of those services as may be specified in the scheme shall apply in relation to the subsidiary (but only so long as it remains a wholly owned subsidiary of the Corporation) as they apply in relation to the Corporation.
- (4) Without prejudice to any power conferred on it by any other provision of this Part, the Corporation may establish subsidiaries for the purpose of schemes under subsection (1)(b).
- (5) A scheme under subsection (1) shall not come into force unless it has been approved by the Secretary of State or until such date as the Secretary of State may in giving his approval specify; and the Secretary of State may approve a scheme either without modifications or with such modifications as, after consultation with the Corporation, he thinks fit.
- (6) Notice of the coming into force of a scheme under subsection (1)(b) which contains such provision as is mentioned in subsection (3) shall be published by the Corporation—
- (a) if the scheme relates in whole or in part to England and Wales, in the London Gazette;
 - (b) if the scheme relates in whole or in part to Scotland, in the Edinburgh Gazette; and
 - (c) if the scheme relates in whole or in part to Northern Ireland, in the Belfast Gazette.
- (7) Subject to subsection (8), in the case of any scheme under subsection (1)(b) the property, rights and liabilities in question shall on the date of the coming into force of the scheme be transferred, and by virtue of the scheme vest, in accordance with the scheme.
- (8) Schedule 2 shall apply to any transfer under subsection (7) subject to any reference in that Schedule to a transfer by or a vesting by virtue of this Act being construed as a reference to a transfer by or a vesting by virtue of the scheme in question, and that subsection shall have effect subject to the provisions of that Schedule.

5 Control of wholly owned subsidiaries

- (1) As regards any wholly owned subsidiary of the Corporation, the Corporation shall so exercise the rights conferred on it by the holding of its interest therein as to secure that no person is elected chairman of the board of directors of the subsidiary except after consultation with the Secretary of State as to his suitability for election.

- (2) As regards any wholly owned subsidiary of the Corporation, the Corporation shall secure that, notwithstanding anything in the subsidiary's memorandum or articles of association, the subsidiary does not—
- (a) engage in any activity which the Corporation itself has no power to engage in or has power to engage in only with the consent of the Secretary of State;
 - (b) issue any of its shares, stock or debentures to a person other than—
 - (i) the Corporation or another wholly owned subsidiary of the Corporation; or
 - (ii) a person who is to hold them as a nominee of the Corporation or of a wholly owned subsidiary of the Corporation;
 - (c) transfer any interest of the subsidiary in another wholly owned subsidiary of the Corporation to a person not within paragraph (b)(i) or (ii),
- except with the consent of, or in accordance with the terms of any general authority given by, the Secretary of State.
- (3) As regards any wholly owned subsidiary of the Corporation, the Corporation shall not transfer any of its interest therein to a person other than—
- (a) another wholly owned subsidiary of the Corporation; or
 - (b) a person who is to hold it as a nominee of the Corporation or of a wholly owned subsidiary of the Corporation,
- except with the consent of, or in accordance with the terms of any general authority given by, the Secretary of State.
- (4) As regards any wholly owned subsidiary of the Corporation, the Corporation shall secure that the subsidiary seeks consultation with any organisation appearing to the subsidiary to be appropriate with a view to the conclusion between it and that organisation of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance of machinery for—
- (a) the settlement of terms and conditions of employment of persons employed by the subsidiary;
 - (b) the promotion and encouragement of measures affecting efficiency in the carrying on by the subsidiary of its activities, including, in particular, the promotion and encouragement of the training of persons employed by the subsidiary; and
 - (c) the promotion and encouragement of measures affecting the safety, health and welfare of persons employed by the subsidiary.

Powers of the Secretary of State over the Corporation

6 General control and supervision by the Secretary of State

- (1) The Corporation shall give effect to any direction given to it by the Secretary of State under the provisions of this Part and shall secure, so far as appropriate, that each of its wholly owned subsidiaries also gives effect to any such direction.
- (2) The Secretary of State may, after consultation with the Corporation, give to it such directions of a general character as to the exercise by it of its powers as appear to the Secretary of State to be requisite in the national interest.

- (3) If it appears to the Secretary of State that there is a defect in the general plans or arrangements of the Corporation for exercising any of its powers, he may, after consultation with it, give it directions of a general character for remedying the defect.
- (4) Without prejudice to the foregoing provisions of this section, if it appears to the Secretary of State to be requisite or expedient so to do—
- (a) in the interests of national security or relations with the government of a country or territory outside the British Islands; or
 - (b) in order—
 - (i) to discharge, or facilitate the discharge of, an obligation binding on Her Majesty's Government in the United Kingdom by virtue of it being a member of an international organisation or a party to an international agreement;
 - (ii) to attain, or facilitate the attainment of, any other object the attainment of which is, in the Secretary of State's opinion, requisite or expedient in view of Her Majesty's Government in the United Kingdom being a member of such an organisation or a party to such an agreement; or
 - (iii) to enable Her Majesty's Government in the United Kingdom to become a member of such an organisation or a party to such an agreement,he may, after consultation with the Corporation, give to it directions requiring it (according to the circumstances of the case) to secure that a particular thing that it or any of its subsidiaries is doing is no longer done or that a particular thing that it has power to do, but is not being done either by it or by any of its subsidiaries, is so done.
- (5) If it appears to the Secretary of State that the Corporation is showing undue preference to, or is exercising undue discrimination against, any person or persons of any class or description in the charges or other terms and conditions applicable to the provision of services which, by virtue of the provisions of this Part, it has the exclusive privilege of providing, he may, after consultation with the Corporation, give it such directions as appear to him requisite to secure that it ceases so to do.
- (6) The Secretary of State may, after consultation with the Corporation, direct the Corporation—
- (a) to make a scheme under subsection (1) of section 4, or to exercise its powers under subsection (4) of that section, for such purposes and in such manner as may be specified in the direction; or
 - (b) to dispose of any part of its undertaking or any assets held by it or to exercise its control over any of its wholly owned subsidiaries so as to cause the subsidiary to dispose of any part of its undertaking or any assets held by it;
- but the Secretary of State shall not give any direction under paragraph (b) unless he is satisfied that he will not thereby impede or prevent the proper discharge of the Corporation's duty under section 3(1).
- (7) The Secretary of State shall lay before each House of Parliament a copy of every direction given under subsection (6) unless he is of opinion that disclosure of the direction is against—
- (a) the interests of national security ; or
 - (b) the commercial interests of any person.

- (8) The Corporation shall not disclose any direction given to it under any of the foregoing provisions of this section if the Secretary of State notifies it that he is of opinion that disclosure of the direction is against—
- (a) the interests of national security; or
 - (b) the commercial interests of a person other than the Corporation and its wholly owned subsidiaries.
- (9) The Corporation shall settle from time to time, after consultation with the Secretary of State, a general programme of technological research into matters affecting the services provided by it or its wholly owned subsidiaries and other matters affecting its or their functions, and of development connected with such matters.
- (10) The Corporation, in carrying out any such work of development as involves substantial outlay on capital account and in securing the carrying out by its wholly owned subsidiaries of any such work, shall act in accordance with a general programme settled from time to time with the approval of the Secretary of State.
- (11) The Corporation, in such manner and at such times as the Secretary of State may specify in writing to it, shall furnish him with such information—
- (a) as he may so specify ; and
 - (b) as the Corporation has or can reasonably be expected to obtain,
- with respect to such matters relating to the Corporation or its subsidiaries or the activities (past, present or future), plans or properties of any of them as the Secretary of State may so specify.
- (12) Without prejudice to the provisions of subsection (11), the Corporation shall, as soon as possible after the end of each accounting year, make to the Secretary of State a report on the exercise and performance by it and its subsidiaries of its and their functions during that year (which shall include such particulars as the Secretary of State may, after consultation with the Corporation and with the approval of the Treasury, direct with respect to its activities and those of its subsidiaries so far as consisting in the construction, manufacture or production of articles in that year), and the Secretary of State shall lay a copy of every such report before each House of Parliament.
- (13) The report made under subsection (12) for any year shall set out any directions given under this Part by the Secretary of State to the Corporation during that year, except such (if any) as were the subject of notifications under subsection (8)(a).

7 Activities requiring consultation with the Secretary of State

- (1) The Corporation shall consult with the Secretary of State before it and all of its wholly owned subsidiaries taken together (in this section referred to as " the group ") during any accounting year construct, manufacture or produce, for the relevant purpose, things of any kind to an extent substantially greater than that to which the group constructed, manufactured, or produced, for that purpose, things of that kind during the relevant period.
- (2) The Corporation shall also consult with the Secretary of State before the group during any accounting year constructs, manufactures or produces to a substantial extent, for the relevant purpose, things of a kind that the group did not construct manufacture or produce for that purpose during the three accounting years immediately preceding that year.

(3) In this section—

" the relevant period " means, in relation to things of any kind and any accounting year, whichever of the three accounting years immediately preceding that year was the one in which the group constructed, manufactured or produced, for the relevant purpose, things of that kind to the greatest extent;

" the relevant purpose " means the purpose of—

- (a) use by the Corporation or any of its wholly owned subsidiaries;
- (b) supply by the Corporation or any of its wholly owned subsidiaries to the Post Office or a subsidiary of the Post Office; or
- (c) supply by the Corporation or any of its wholly owned subsidiaries to outside persons for use by such persons—
 - (i) in connection with, or in the construction, manufacture or production of articles for use in connection with, telecommunication services by whomsoever provided ;
 - (i) for, or in the construction, manufacture or production of articles for use for, the provision of telecommunication services; or
 - (ii) in connection with other services provided by the Corporation or any such subsidiary;

and for the purposes of this section the assembly of an article in the course of its installation at the place where it is to be used shall not be taken to constitute its manufacture, construction or production.

8 Activities requiring approval of the Secretary of State

(1) Neither the Corporation nor any of its wholly owned subsidiaries shall, except with the approval of the Secretary of State, construct, manufacture, produce or purchase, otherwise than for the relevant purpose, things of any kind to a substantial extent.

(2) The Secretary of State

- (a) may give approval for the purposes of subsection (1) subject to such conditions (if any) as he may think fit; and
- (b) notwithstanding the giving of approval, may at any time, after consultation with the Corporation, direct it to discontinue or, as the case may be, to exercise its control over any of its wholly owned subsidiaries so as to require the subsidiary to discontinue, any activity that the Corporation or, as the case may be, the subsidiary is carrying on with approval.

(3) The Secretary of State shall publish, in such manner as he thinks fit, particulars of any approval given by him under subsection (1).

(4) In carrying on any activities to which subsection (1) applies, the Corporation shall act as if it were a company engaged in a commercial enterprise, and it shall so exercise its control over each of its wholly owned subsidiaries that carries on any such activities as to ensure that the subsidiary so acts.

(5) In this section " the relevant purpose " has the same meaning as in section 7.

Users' Councils

9 Users' Councils

- (1) Subject to the provisions of this section, section 14 (the Post Office Users' Councils) and section 15 (duty of the Post Office to consult the Post Office Users' National Council about certain proposals) of the Post Office Act 1969 (in this Act referred to as "the 1969 Act") shall have effect, as from the appointed day, as if—
 - (a) any reference to services provided by, or main services of, the Post Office included a reference to services provided by, or main services of, the Corporation;
 - (b) any reference to the Post Office (other than a reference falling within paragraph (a)) included a reference to the Corporation; and
 - (c) any reference to a direction given by the Secretary of State under section 11 (3) or (4) of that Act included a reference to a direction given by the Secretary of State under section 6(4) or (5).
- (2) The Secretary of State may, after consulting with the Corporation and the Post Office Users' National Council, provide by order made by statutory instrument that as from such date as may be specified in the order references in the said sections 14 and 15 which, by virtue of subsection (1), include references to services provided by, or main services of, the Corporation shall not include references to such services as may be so specified, not being services which, by virtue of the provisions of this Part, the Corporation has the exclusive privilege of providing.
- (3) A statutory instrument containing an order under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Transfers of property, rights and liabilities

10 Transfer to the Corporation of certain property, rights and liabilities of the Post Office

- (1) Before the appointed day the Post Office shall take steps to separate from the remainder of its undertaking the part thereof concerned with the provision of telecommunication and data processing services (that is to say, the part thereof which is under the management and control of the deputy chairman who has special responsibility for telecommunication and data processing services).
- (2) Subject to the following provisions of this section, on the appointed day there shall be transferred from the Post Office to, and by virtue of this Act vested in, the Corporation all the property, rights and liabilities which, immediately before that day, were comprised in the part of the Post Office's undertaking mentioned in subsection (1).
- (3) At any time before the appointed day the Post Office and the Corporation may agree in writing that subsection (2) shall not have effect in relation to any property, rights and liabilities specified in the agreement.
- (4) At any time before the expiration of twelve months beginning with the appointed day the Post Office and the Corporation may agree in writing that, as from such date, not earlier than the appointed day, as may be specified in or determined by or under the agreement and in such circumstances (if any) as may be so specified—

Status: This is the original version (as it was originally enacted).

- (a) there shall be transferred from the Post Office to, and vested in, the Corporation any property, rights and liabilities specified in the agreement; or
 - (b) there shall be transferred from the Corporation to, and vested in, the Post Office any property, rights and liabilities so specified.
- (5) No agreement under subsection (3) or (4) shall have effect in relation to rights and liabilities under a contract of employment unless the employee concerned is a party to the agreement.
- (6) Subject to subsection (7), in the case of any agreement under subsection (4) the property, rights and liabilities in question shall on the date of the coming into force of the agreement be transferred, and by virtue of the agreement vest, in accordance with the agreement.
- (7) Schedule 2 shall apply to any transfer under subsection (2) or (6) subject, in the case of a transfer under subsection (6), to any reference in that Schedule to a vesting by virtue of this Act being construed as a reference to a vesting by virtue of the agreement in question; and those subsections shall have effect subject to the provisions of that Schedule.
- (8) Any reference in this Act to a transfer by this Act includes a reference to a transfer under subsection (6).

11 Statutory rights and liabilities as to telegraphs

- (1) Without prejudice to the generality of subsection (2) of section 10, the rights and liabilities transferred from the Post Office to the Corporation under that subsection shall include the rights and liabilities which, by virtue of the provisions of the Telegraph Acts, are enjoyed by, and incumbent on, the Post Office immediately before the appointed day, and the Corporation shall become subject to the restrictions imposed by those provisions to which the Post Office is subject immediately before that day.
- (2) Accordingly, as from the appointed day, in the provisions of the Telegraph Acts and in section 20 of the Public Utilities Street Works Act 1950 (which extends the powers exercisable under section 21 of the Telegraph Act 1863)—
- (a) references to the Post Office (except such references as are expressly dealt with by the following provisions of this Act) shall be construed as referring to the Corporation ; and
 - (b) references which include references to the Post Office shall be construed as including references to the Corporation.
- (3) In this section " the Telegraph Acts " means the Telegraph Act 1863, the Telegraph Act 1868, the Telegraph Act 1870, the Telegraph Act 1878, the Telegraph (Isle of Man) Act 1889, the Telegraph Act 1892. the Telegraph (Construction) Act 1908, the Telegraph (Arbitration) Act 1909, the Telegraph (Construction) Act 1911 and the Telegraph (Construction) Act 1916.

Exclusive privilege of the Corporation with respect to telecommunication

12 Exclusive privilege of the Corporation with respect to telecommunication

- (1) Subject to the following provisions of this Part, as from the appointed day, the Corporation shall have throughout the British Islands the exclusive privilege of

running telecommunication systems, that is to say systems for the conveyance, through the agency of electric, magnetic, electro-magnetic, electrochemical or electro-mechanical energy, of—

- (a) speech, music and other sounds;
 - (b) visual images;
 - (c) signals serving for the impartation (whether as between persons and persons, things and things or persons and things) of any matter otherwise than in the form of sound or visual images ; and
 - (d) signals serving for the actuation or control of machinery or apparatus.
- (2) In the case of an infringement, in relation to a system not extending beyond the British Islands, of the privilege conferred by subsection (1), the person running the system (or, if different people run different parts of it, each of them) shall be guilty of an offence and liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum;
 - (b) on conviction on indictment, to a fine,
- and, in the case of an infringement, in relation to a system extending beyond those Islands, of that privilege, the person running the portion of the system within those Islands (or, if different people run different parts of it, each of them) shall be guilty of an offence and similarly liable.
- (3) In any proceedings in respect of an offence under this section consisting in the running of a system in the case of which, at the time of the commission of the offence, different parts were run by different persons, it shall be a defence for the defendant to prove that a part of the system had been included without his knowledge and that, had it not been, the running of the system would not have constituted an infringement of the privilege conferred by subsection (1).
- (4) References in this Act to services which, by virtue of the provisions of this Part, the Corporation has the exclusive privilege of providing are references to services the provision of which by a person other than the Corporation would necessarily infringe the privilege conferred by subsection (1); and for this purpose licences granted under section 15(1) otherwise than to all persons shall be disregarded.

13 General classes of acts not infringing the telecommunication privilege

- (1) The privilege conferred by subsection (1) of section 12 is not infringed by—
- (a) the running of a system in the case of which the only agency involved in the conveyance of things thereby conveyed is light and the things thereby conveyed are so conveyed as to be capable of being received or perceived by the eye and without more;
 - (b) the running by a person of a system in the case of which all the apparatus comprised therein is situated either—
 - (i) on a single set of premises occupied by him; or
 - (ii) in a vehicle, vessel, aircraft or hovercraft or in two or more vehicles, vessels, aircraft or hovercraft mechanically coupled together ; or
 - (c) the running by a single individual of a system in the case of which—
 - (i) all the apparatus comprised therein is under his control; and
 - (ii) everything conveyed by it that falls within paragraphs (a) to (d) of the said subsection (1) is conveyed solely for domestic purposes of his.

Status: This is the original version (as it was originally enacted).

- (2) In the case of a business carried on by a person, the said privilege is not infringed by the running, for the purposes of that business, of a system with respect to which the conditions specified in subsection (3) are satisfied and—
- (a) in a case in which all the apparatus therein comprised is situate in the British Islands, no person except him or the Corporation is concerned in the control of the apparatus;
 - (b) in any other case, no person except him or the Corporation is concerned in the control of so much of the apparatus as is so situate.
- (3) The said conditions are—
- (a) that nothing falling within paragraphs (a) to (d) of subsection (1) of section 12 is conveyed by the system by way of rendering a service to another;
 - (b) that, in so far as sounds or visual images are conveyed by the system, they are not conveyed for the purpose of their being heard or seen by persons other than the person carrying on the business or any servants of his engaged in the conduct thereof;
 - (c) that in so far as such signals as are mentioned in paragraph (c) of that subsection are conveyed by the system, they are not conveyed for the purpose of imparting matter otherwise than to the person carrying on the business, any servants of his engaged in the conduct thereof or things used in the course of the business and controlled by him; and
 - (d) that, in so far as such signals as are mentioned in paragraph (d) of that subsection are conveyed by the system, they are not conveyed for the purpose of actuating or controlling machinery or apparatus used otherwise than in the course of the business.
- (4) In the case of a system in the case of which all the apparatus therein comprised consists of apparatus supplied by the Corporation to a person, the said privilege is not infringed by the running of the system by that person ; and in the case of a system in the case of which part of the apparatus comprised therein consists of apparatus supplied by the Corporation to a person, the said privilege is not infringed by the running by that person of so much of the system as comprises apparatus so supplied.
- (5) In this section—
- " business " includes a trade, profession or employment and includes any activity carried on by a body of persons, whether corporate or unincorporated;
 - " supplied " means supplied in pursuance of a scheme made under section 21 or let on hire ;
 - " vessel" means a vessel of any description used in navigation.

14 Acts relating to broadcasting not infringing the telecommunication privilege

- (1) The privilege conferred by subsection (1) of section 12 is not infringed by a broadcasting authority by reason only of the transmission by it, by wireless telegraphy, of sounds or visual images from a transmitting station for general reception direct from that station, nor is it infringed by the reception of sounds or visual images transmitted, by wireless telegraphy, from a transmitting station for general reception direct from that station or through the medium of a relay service licensed under the Wireless Telegraphy Act 1949.

- (2) In this section "broadcasting authority" means a person licensed under the Wireless Telegraphy Act 1949 to broadcast programmes for general reception and "wireless telegraphy" has the same meaning as in that Act.

15 Saving for things done under a licence

- (1) A licence may be granted—
- (a) by the Secretary of State after consultation with the Corporation; or
 - (b) with the consent of, or in accordance with the terms of a general authority given by, the Secretary of State, by the Corporation,
- either unconditionally or subject to any conditions specified in the licence, and either irrevocably or subject to revocation as therein specified, for the running of any such telecommunication system as is specified in the licence; and anything done under, and in accordance with, a licence granted under this subsection shall not constitute an infringement of the privilege conferred by section 12(1).
- (2) The Secretary of State may, after consultation with the Corporation, give to it directions requiring it to grant licences under subsection (1) for such purposes and subject to such terms and conditions as may be specified in the directions.
- (3) A licence granted under subsection (1) shall, unless previously revoked in accordance with any term in that behalf contained in the licence, continue in force for such period as may be specified therein.
- (4) A licence granted under subsection (1) may be granted either to all persons, to persons of a class or to a particular person, and may include (without prejudice to the power to impose conditions conferred by that subsection) conditions requiring the rendering of a payment on the grant of the licence or periodic payments during the currency of the licence or both—
- (a) in the case of a licence granted by the Secretary of State, to the Secretary of State or the Corporation or both; or
 - (b) in the case of a licence granted by the Corporation, to the Corporation.
- (5) A payment required by virtue of this section to be rendered to any person may be recovered by that person in any court of competent jurisdiction and, except in Scotland, may be so recovered as if it were a simple contract debt.
- (6) A licence granted under subsection (1) otherwise than to a specified person shall be published in such manner as appears to the grantor to be appropriate for bringing it to the attention of the persons for whose benefit it will enure, and a licence expressed to be so granted must be in writing.
- (7) A person shall not be concerned to inquire whether the grant by the Corporation of a licence under subsection (1) was, or was not, effected with the consent of, or in accordance with the terms of a general authority given by, the Secretary of State; and the validity of a licence granted by the Corporation under that subsection shall not be impugned on the grounds that it was granted neither with the consent of, nor in accordance with the terms of a general authority given by, him.
- (8) For the purposes of a licence granted under subsection (1), the definition of a class of persons may be framed by reference to any circumstances whatever.
- (9) Any sums received by the Secretary of State under this section shall be paid into the Consolidated Fund.

Approval of apparatus used for telecommunication

16 Approval of apparatus which is to be connected to a telecommunication system run by the Corporation

(1) Standards to which subscriber's apparatus of a description specified therein must conform if it is, or is to be, connected (either directly or indirectly) to a telecommunication system run by the Corporation, being a system so specified or of a description so specified, may be approved—

- (a) after consultation with the Corporation, by the Secretary of State; or
- (b) after such consultation as aforesaid, by a person or body appointed for the purpose by the Secretary of State;

and an approval under this subsection may specify conditions which must be complied with in relation to any apparatus or its connection or use if it is to be regarded as conforming to the standard to which the approval relates.

(2) Where, in the case of any subscriber's apparatus, a standard is not for the time being approved under subsection (1) in relation to any telecommunication system run by the Corporation, the apparatus must be approved—

- (a) after consultation with the Corporation, by the Secretary of State;
- (b) after such consultation as aforesaid, by a person or body appointed for the purpose by the Secretary of State; or
- (c) with the consent of, or in accordance with a general authorisation given by, the Secretary of State, by the Corporation,

if it is, or is to be, connected (either directly or indirectly) to that system; and an approval under this subsection may be subject to compliance with any conditions as to the apparatus or its connection or use specified in the approval.

(3) Any power conferred by subsection (1) or (2) to issue an approval includes power, exercisable in the like manner and subject to the like conditions or limitations, to vary or withdraw any approval issued in the exercise of that power.

(4) If it appears to the Secretary of State that the Corporation is showing undue preference to, or is exercising undue discrimination against, any person or persons of any class or description as respects—

- (a) the connection to any telecommunication system run by the Corporation of subscriber's apparatus which is approved for the purposes of this section; or
- (b) the charges or other terms and conditions applicable to the connection to any such system of any such apparatus,

he may, after consultation with the Corporation, give it such directions as appear to him to be requisite to secure that it ceases to do so.

(5) Notice of an approval or the variation or withdrawal of an approval under subsection (1) shall be published in such manner as appears to the Secretary of State to be appropriate.

(6) For the purposes of a standard approved under subsection (1), the definition of a description of subscriber's apparatus may be framed by reference to any circumstances whatever.

(7) In this section and section 21 " subscriber's apparatus " means apparatus owned by or supplied to a person other than the Corporation; and references to subscriber's apparatus which, in relation to any telecommunication system run by the Corporation,

is approved for the purposes of this section are references to such apparatus which either—

- (a) conforms to a standard approved under subsection (1); or
- (b) is itself approved under subsection (2),

in relation to that system.

- (8) For the purposes of this Part, any apparatus a function of which is—
- (a) to emit sounds or signals with a view to their being conveyed by a telecommunication system; or
 - (b) to receive sounds or signals which have been so conveyed,
- shall be treated as connected to a telecommunication system at any time if, at that time, sounds or signals emitted by it are being conveyed by that system or, as the case may be, it is receiving sounds or signals which have been so conveyed; and references to apparatus which is to be, or is capable of being, connected to a telecommunication system shall be construed accordingly.

17 Information etc. to be marked on or to accompany apparatus

- (1) Where it appears to the Secretary of State expedient that apparatus which is capable of being connected (either directly or indirectly) to a telecommunication system should be marked with or accompanied by any information or instruction relating to the apparatus or its connection or use, the Secretary of State may by order impose requirements for securing that the apparatus is so marked or accompanied, and regulate or prohibit the supply of such apparatus with respect to which the requirements are not complied with ; and the requirements may extend to the form and manner in which the information or instruction is to be given.
- (2) Where an order under this section is in force with respect to apparatus of any description, any person who, in the course of any trade or business, supplies or offers to supply apparatus of that description in contravention of the order shall, subject to section 19, be guilty of an offence and liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum ;
 - (b) on conviction on indictment, to a fine.
- (3) An order under this section may make different provision for different circumstances and may, in the case of apparatus supplied in circumstances where the information or instruction required by the order would not be conveyed until after delivery, require the whole or part thereof to be also displayed near the apparatus.
- (4) Orders under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (5) For the purposes of this section a person exposing apparatus for supply or having apparatus in his possession for supply shall be deemed to offer to supply it.
- (6) In this section and section 18 "supply" shall be construed in accordance with section 9 of the Consumer Safety Act 1978 and, in the case of the Corporation, shall be construed as including supply in pursuance of a scheme made under section 21.

18 Information etc. to be given in advertisements

- (1) Where it appears to the Secretary of State expedient that any description of advertisements of apparatus which is capable of being connected (either directly or

indirectly) to a telecommunication system should contain or refer to any information relating to the apparatus or its connection or use, the Secretary of State may by order impose requirements as to the inclusion of that information, or an indication of the means by which it may be obtained, in such description of advertisements of the apparatus as may be specified in the order.

- (2) Where an advertisement of any apparatus to be supplied in the course of any trade or business fails to comply with any requirement imposed under this section, any person who publishes the advertisement shall, subject to section 19, be guilty of an offence and liable—
 - (a) on summary conviction, to a fine not exceeding the statutory maximum;
 - (b) on conviction on indictment, to a fine.
- (3) An order under this section may specify the form and manner in which any information or indication required by the order is to be included in advertisements of any description and may make different provision for different circumstances.
- (4) Orders under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (5) In this section "advertisement" includes a catalogue, a circular and a price list.

19 Offences due to default of third person

- (1) Where the commission by any person of an offence under section 17 or 18 is due to the act or default of some other person, that other person shall be guilty of the offence ; and a person may be charged with and convicted of the offence by virtue of this subsection whether or not proceedings are taken against the first-mentioned person.
- (2) In any proceedings for an offence under section 17 or 18 it shall, subject to subsection (3), be a defence for the person charged to prove that he took all reasonable steps and exercised all due diligence to avoid committing the offence.
- (3) Where the defence provided by subsection (2) involves an allegation that the commission of the offence was due to the act or default of another person, the person charged shall not, without leave of the court, be entitled to rely on that defence unless, within a period ending seven clear days before the hearing, he has served on the prosecutor a notice in writing giving such information identifying or assisting in the identification of that other person as was then in his possession.
- (4) In any proceedings for an offence under section 18 it shall be a defence for the person charged to prove that he is a person whose business it is to publish or arrange for the publication of advertisements and that he received the advertisement for publication in the ordinary course of business and did not know and had no reason to suspect that its publication would amount to an offence under that section.

20 Enforcement provisions

- (1) A relevant authority shall have power to purchase apparatus, and to authorise any of their officers to purchase apparatus on their behalf, for the purpose of ascertaining whether sections 17 and 18 and orders made under those sections (in this section referred to as " the relevant provisions") are being complied with.
- (2) Every local weights and measures authority in Great Britain shall have power to enforce the relevant provisions within their area; but nothing in this subsection shall be

construed as authorising a local weights and measures authority in Scotland to institute proceedings for an offence.

- (3) In this section " relevant authority " means—
- (a) in relation to Great Britain, the Secretary of State or a local weights and measures authority on whom a power to enforce the relevant provisions is conferred by subsection (2);
 - (b) in relation to Northern Ireland, the Department of Commerce for Northern Ireland ; and
 - (c) in relation to the Isle of Man, the Board of Consumer Affairs.

Charges and other terms and conditions applicable to services

21 Schemes for determining charges and other terms and conditions applicable to services

- (1) Subject to subsection (2), the Corporation may make, as respects any of the services provided by it, a scheme for determining either or both of the following, namely—
- (a) the charges which (save in so far as they are the subject of an agreement between it and a person availing himself of those services) are to be made by it; and
 - (b) the other terms and conditions which (save as aforesaid) are to be applicable to those services.
- (2) No provision shall be included in any scheme made under this section—
- (a) for amending the rules of law with respect to evidence;
 - (b) for imposing liability on any person for loss or damage suffered by the Corporation by reason of the connection to any telecommunication system run by the Corporation of any subscriber's apparatus which is for the time being approved for the purposes of section 16; or
 - (c) for limiting any liability of the Corporation for loss or damage, other than a liability arising by virtue of section 22.
- (3) A scheme made under this section may, as respects the services to which it relates, adopt such system for the determination of the charges or other terms and conditions or (as the case may be) the charges and other terms and conditions that are to be applicable as may appear desirable and, in particular and without prejudice to the generality of the foregoing words, may, in all or any cases, leave the determination thereof to the Corporation subject to such (if any) conditions and limitations as may be provided for in the scheme.
- (4) A scheme made under this section may, as respects the services to which it relates, specify the manner in which, time at which and person by whom the charges that are to be applicable are to be paid.
- (5) A scheme made under this section may make different provision for different cases or classes of cases determined by, or in accordance with, the provisions of the scheme.
- (6) A charge exigible by virtue of this section may be recovered by the Corporation in any court of competent jurisdiction and, except in Scotland, may be so recovered as if it were a simple contract debt.
- (7) A scheme made under this section may revoke or amend any previous scheme so made.

- (8) A scheme made under this section shall come into operation on such day as is specified therein, not being earlier than the day after that on which publication of the scheme in the London, Edinburgh and Belfast Gazettes has been effected; and conclusive evidence of a scheme so made may be given, in all courts of justice and in all legal proceedings whatsoever, by the production of a copy of any of those Gazettes purporting to contain it.

22 Deemed contracts in certain cases

- (1) Where, in pursuance of a scheme made under section 21, the Corporation supplies apparatus to any person for use in connection with services provided by it, then, notwithstanding anything in the scheme, the Corporation shall be deemed for all purposes to have contracted for the hire of that apparatus to that person.
- (2) Where, in pursuance of a scheme made under section 21, the Corporation accedes to an application made by any person for the inclusion of a special entry in a telecommunication directory, then, notwithstanding anything in the scheme, the Corporation shall be deemed for all purposes to have contracted with that person for the inclusion of that entry.
- (3) The express terms and conditions of a contract which, by virtue of subsection (1) or (2), is deemed to have been made shall be such of the terms and conditions contained in the scheme as are applicable; but any such terms and conditions which limit the liability of the Corporation shall not be regarded, for the purposes of section 29(1) of the Unfair Contract Terms Act 1977, as authorised by necessary implication of section 21(2)(c).
- (4) In this section—
 " special entry " means any entry for which a special charge is made;
 " telecommunication directory " means a directory for use in connection with a telecommunication service.

Limitation of liability

23 Exclusion of certain liabilities in tort in relation to telecommunications

- (1) No proceedings in tort shall lie against the Corporation in respect of any loss or damage suffered by any person by reason of—
 (a) failure to provide, or delay in providing, a telecommunication service, apparatus associated therewith or a service ancillary thereto;
 (b) failure, interruption, suspension or restriction of a telecommunication service or a service ancillary thereto or delay of, or fault in, communication by means of a telecommunication service ; or
 (c) error in, or omission from, a directory for use in connection with a telecommunication service.
- (2) No employee of the Corporation shall be subject, except at the suit of the Corporation, to any civil liability for any loss or damage in the case of which liability of the Corporation therefor is excluded by subsection (1).
- (3) No person engaged in or about—
 (a) the receipt or collection in material form of communications which are to be transmitted by means of a system run by the Corporation ; or

- (b) the delivery in material form of communications which have been so transmitted,
and no employee, agent or sub-contractor of such a person shall be subject, except at the suit of the Corporation, to any civil liability for loss or damage in the case of which liability of the Corporation therefor is excluded by subsection (1).
- (4) In the application of subsection (1) to Scotland, the reference to proceedings in tort shall be construed in the same way as in section 43(b) of the Crown Proceedings Act 1947.

Finance

24 General duty of the Corporation as to finance

- (1) It shall be the duty of the Corporation so to exercise its powers as to secure that the combined revenues of the Corporation and all its wholly owned subsidiaries taken together are not less than sufficient—
- (a) to meet all their combined charges properly chargeable to revenue account, taking one year with another; and
 - (b) to enable the Corporation and its wholly owned subsidiaries to make such allocations to reserve as the Corporation considers adequate, and as may be necessary to comply with any directions given by the Secretary of State under section 25.
- (2) The Secretary of State may from time to time determine, with the approval of the Treasury and after consultation with the Corporation, as respects such period as he may so determine, the financial objectives which, having regard to the duty imposed on it by subsection (1), he considers it is reasonable for the Corporation to achieve in that period; and—
- (a) different determinations may be made for different periods and in relation to different assets and different activities of the Corporation; and
 - (b) the Secretary of State may, with the like approval and after such consultation as aforesaid, vary or revoke a determination under this section in respect of any period by a further determination.
- (3) A determination under subsection (2)—
- (a) may relate to a period beginning before the date on which it is made; and
 - (b) may contain incidental or supplemental provisions.
- (4) The Secretary of State shall give notice in writing to the Corporation of any determination under subsection (2).
- (5) The Corporation shall conduct its affairs during any period in respect of which a determination has been made under subsection (2) with a view to achieving the financial objectives specified by the determination as for the time being in force.

25 Reserves of the Corporation and its wholly owned subsidiaries

- (1) The Secretary of State may from time to time, after consultation with the Corporation and with the approval of the Treasury, give to the Corporation directions —

- (a) requiring it to allocate to reserve generally, or to reserve for a particular purpose, or to cause any of its wholly owned subsidiaries so to allocate, either a specified amount or such amount as the Corporation considers adequate;
 - (b) requiring it to re-allocate for a specified purpose, or to cause any of its wholly owned subsidiaries so to re-allocate, the whole or any part of any amount previously allocated by the Corporation or subsidiary, as the case may be, to reserve for some other purpose ; or
 - (c) with respect to the application by the Corporation or any of its wholly owned subsidiaries of amounts allocated to reserve.
- (2) Directions under subsection (1) requiring the allocation of any amount to reserve may provide for it to be so allocated either at a specified time or during the course of a specified period.

26 Borrowing powers of the Corporation and its wholly owned subsidiaries

- (1) The Corporation may borrow temporarily, by way of overdraft or otherwise.—
- (a) in sterling from the Secretary of State ; or
 - (b) with the consent of the Secretary of State and the approval of the Treasury, in sterling or a currency other than sterling from a person other than the Secretary of State,
- such sums as may be required for meeting the obligations and discharging the functions of the Corporation or any of its wholly owned subsidiaries.
- (2) The Corporation may borrow, otherwise than by way of temporary loan.—
- (a) in sterling from the Secretary of State ; or
 - (b) with the consent of the Secretary of State and the approval of the Treasury, in sterling or a currency other than sterling from a person other than the Secretary of State,
- such sums as may be required by the Corporation or any of its wholly owned subsidiaries for all or any of the purposes mentioned in subsection (3).
- (3) The said purposes are—
- (a) provision of money for meeting any expenses incurred by the Corporation or any of its subsidiaries in connection with any works the cost of which is chargeable to capital account;
 - (b) provision of working capital required by it or any such subsidiary;
 - (c) subscription for, or acquisition of, securities of an incorporated company or other body corporate, promotion of the formation of an incorporated company or participation in the promotion of such a company or acquisition of an undertaking or part of an undertaking ;
 - (d) repayment of any money borrowed by it or any such subsidiary and repayment of any sums issued by the Treasury in fulfilment of a guarantee under section 29;
 - (e) any other purpose for which capital moneys are properly applicable.
- (4) The Corporation may borrow from any of its wholly owned subsidiaries without any consent, approval or other authority.
- (5) References in this section and section 27 to borrowing by the Corporation do not include references to receiving any money in its capacity as the provider of any services or the supplier of any apparatus, or using money received in that capacity.

- (6) 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 consent of the Secretary of State and the approval of the Treasury.
- (7) A person lending money to the Corporation shall not be concerned to inquire whether the borrowing of the money is legal or regular or whether the money raised was properly applied and shall not be prejudiced by any illegality or irregularity or by the misapplication or non-application of any of the money.
- (8) This section shall come into operation on the appointed day.

27 Limitation of indebtedness

- (1) The Corporation shall not have power to borrow money except in accordance with section 26.
- (2) The aggregate amount outstanding, otherwise than by way of interest, in respect of—
 - (a) money borrowed by the Corporation or any of its wholly owned subsidiaries, other than money borrowed on excluded loans; and
 - (b) sums issued by the Treasury in fulfilment of guarantees under section 29,shall not at any time exceed £5,000 million or such greater sum, not exceeding £6,500 million, as the Secretary of State may from time to time by order specify.
- (3) A loan is an excluded loan for the purposes of subsection (2) if it consists of money borrowed—
 - (a) by the Corporation from one of its wholly owned subsidiaries ; or
 - (b) by one of its wholly owned subsidiaries from another such subsidiary or from the Corporation.
- (4) An order under subsection (2) shall be made by statutory instrument, and no such order shall be made unless a draft thereof has been approved by a resolution of the Commons House of Parliament.

28 Loans by the Secretary of State to the Corporation

- (1) The Secretary of State may, with the approval of the Treasury, lend to the Corporation any sums which it has power to borrow under section 26(1) or (2).
- (2) Any loans which the Secretary of State makes under this section shall be repaid to him at such times and by such methods and interest thereon shall be paid to him at such rates and at such times as he may, with the approval of the Treasury, from time to time direct.
- (3) The Treasury may issue out of the National Loans Fund to the Secretary of State such sums as are necessary to enable him to make loans under this section.
- (4) Any sums received under subsection (2) by the Secretary of State shall be paid into the National Loans Fund.

29 Treasury guarantees

- (1) The Treasury may guarantee, in such manner and on such conditions as they may think fit, the repayment of the principal of, and the payment of interest on, any sums which the Corporation borrows from a person other than the Secretary of State.
- (2) Immediately after a guarantee is given under this section, the Treasury shall lay a statement of the guarantee before each House of Parliament; and where any sum is issued for fulfilling a guarantee so given the Treasury shall, as soon as possible after the end of each financial year, beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged, lay before each House of Parliament a statement relating to that sum.
- (3) Any sums required by the Treasury for fulfilling a guarantee under this section shall be charged on and issued out of the Consolidated Fund.
- (4) If any sums are issued in fulfilment of a guarantee given under this section, the Corporation shall make to the Treasury, at such times and in such manner as the Treasury may from time to time direct, payments, of such amounts as the Treasury may so direct, in or towards repayment of the sums so issued and payments of interest on what is outstanding for the time being in respect of sums so issued at such rate as the Treasury may so direct.
- (5) Any sums received under subsection (4) by the Treasury shall be paid into the Consolidated Fund.

30 Accounts of the Secretary of State with reference to the Corporation's indebtedness to him

The Secretary of State shall, as respects each financial year, prepare in such form and manner as the Treasury may direct, an account of—

- (a) sums received by him under subsection (2) of section 28 ;
- (b) sums issued to him under subsection (3) of that section ;
- (c) sums received by him as mentioned in paragraph 9(5) of Schedule 4 (interest on, or repayment of, the Corporation's assumed debt); and
- (d) the disposal by him of those sums respectively,

and send it to the Comptroller and Auditor General not later than the end of November following the year; and the Comptroller and Auditor General shall examine, certify and report on the account and lay copies of it, together with his report, before each House of Parliament.

The Corporation's accounts, and audit thereof

31 The Corporation's accounts and audit thereof

- (1) Subject to the following provisions of this section, it shall be the duty of the Corporation—
 - (a) to keep proper accounts and proper records in relation thereto;
 - (b) to prepare in respect of each accounting year a statement of accounts giving a true and fair view of the state of affairs and profit or loss of the Corporation;and

- (c) to prepare in respect of each accounting year such a statement or statements of consolidated accounts dealing with, and giving a true and fair view of the state of affairs and profit or loss of.—
 - (i) the Corporation and all of its subsidiaries (in this section referred to as " the group "); or
 - (ii) some but not all the members of the group, as the Corporation may determine and the Secretary of State and the Treasury may for the time being approve.
- (2) If the Secretary of State with the consent of the Treasury so requires the Corporation by notice in writing, the Corporation shall, in respect of any accounting year to which the notice relates, comply with its obligation under subsection (1)(c), so far as it relates to those members of the group which are specified in the notice, by preparing a statement of consolidated accounts dealing with the members of the group specified in the notice and giving a true and fair view of their state of affairs and profit or loss.
- (3) Every statement of accounts prepared by the Corporation in accordance with this section shall comply with any requirement which the Secretary of State has, after consultation with the Corporation and with the consent of the Treasury, notified in writing to the Corporation relating to—
 - (a) the information to be contained in the statement;
 - (b) the manner in which that information is to be presented ; and
 - (c) the methods and principles according to which the statement is to be prepared.
- (4) Subject to any requirement notified to the Corporation under subsection (3), in preparing any statement of accounts in accordance with this section, the Corporation shall follow with respect to each of the matters specified in paragraphs (a) to (c) of that subsection, such course as may for the time being be approved by the Secretary of State with the consent of the Treasury.
- (5) If the Secretary of State after consultation with the Corporation so directs in relation to an accounting year of the Corporation, that accounting year shall end on such date as may be specified in the direction (whether before or after the date on which it would otherwise end).
- (6) The accounts kept, and all statements prepared, by the Corporation under this section shall be audited by auditors appointed for each accounting year by the Secretary of State after consultation with the Corporation.
- (7) A person shall not be qualified for appointment under subsection (6) unless he is a member of one or more bodies of accountants established in the United Kingdom and for the time being recognised for the purposes of section 161(1)(a) of the Companies Act 1948 by the Secretary of State; but a Scottish firm may be so appointed if each of the partners therein is qualified to be so appointed.
- (8) As soon as the accounts kept, and the statements prepared, by the Corporation under this section have been audited, the Corporation shall send to the Secretary of State—
 - (a) a copy of the statements ;
 - (b) copies of the statements of accounts for such of its subsidiaries as the Corporation may, with the approval of the Secretary of State and the consent of the Treasury, determine; and
 - (c) if the Secretary of State with the consent of the Treasury so requires by notice in writing, copies of the statements of accounts for each subsidiary of the Corporation which is specified in the notice,

together with a copy of any report made by the auditors on the statements or on the accounts of the Corporation ; and the Secretary of State shall lay a copy of every statement and report of which a copy is received by him in pursuance of this subsection before each House of Parliament.

Pensions

32 Duty of the Corporation to provide pensions

- (1) The Corporation shall, in the case of such of its employees as it may determine.—
 - (a) pay such pensions to or in respect of them ;
 - (b) make such payments towards the provision of such pensions; or
 - (c) establish and maintain such schemes (whether contributory or not) for the payment of such pensions,as it may determine.
- (2) Where a person participating in a scheme under this section as an employee of the Corporation becomes a member of the Corporation—
 - (a) he may be treated for the purposes of the scheme as if his service as a member were service as an employee; and
 - (b) his rights under the scheme shall not be affected by paragraph 5(1)(b) of Schedule 1.

33 Power of the Secretary of State to make orders about pensions

- (1) Under this section (in which "Post Office scheme" means a pension scheme established by the Post Office under section 43 of the 1969 Act and " Corporation scheme " means a pension scheme established by the Corporation under section 32) the Secretary of State may make orders providing for all or any of the following matters, namely—
 - (a) the requiring or enabling of any persons to whom this section applies to participate or continue to participate in any Post Office or Corporation scheme ;
 - (b) the transfer of rights and liabilities as respects any persons to whom this section applies from trustees of a Post Office scheme to trustees of a Corporation scheme;
 - (c) the requiring of persons who are both trustees of a Post Office scheme and trustees of a Corporation scheme to hold the whole or any part of a pension fund held for the purposes of the Post Office scheme partly for those purposes and partly for the purposes of the Corporation scheme;
 - (d) the transfer to investment trustees appointed both in pursuance of a Post Office scheme and a Corporation scheme of the whole or any part of a pension fund held for the purposes of either of those schemes or partly for the purposes of one and partly for the purposes of the other;
 - (e) the apportionment between trustees of a Post Office scheme and trustees of a Corporation scheme of a pension fund held for the purposes of the Post Office scheme or partly for the purposes of that scheme and partly for the purposes of the Corporation scheme ;
 - (f) the apportionment of payments payable under section 47 of the 1969 Act to trustees appointed by the Post Office for the purposes of that section between

those trustees and trustees appointed by the Corporation for the purposes of that section ; and

- (g) any matter supplemental or incidental to or consequential on any of the matters aforesaid, including the amendment of any statutory provision, any contract of employment and any trust deed, rules or other instrument made for the purposes of a Post Office or Corporation scheme;

but nothing in this section shall authorise the making of provision for the diversion of any part of a pension fund, or any part of a payment payable under the said section 47, to purposes other than 'the payment, or purposes connected with the payment, of pensions to or in respect of persons to whom this section applies.

- (2) This section applies to—
- (a) any employee of the Corporation or any of its subsidiaries ;
 - (b) any member of the Corporation who immediately before he became such a member was participating in a Post Office scheme;
 - (c) any person who ceases or ceased to be employed by the Post Office before the appointed day and as respects whom any liability of the Post Office under a Post Office scheme or section 43 or 46 of the 1969 Act is transferred to the Corporation by this Act; and
 - (d) any person who ceased to be a civil servant before 1st October 1969 and as respects whom any liability of the Post Office under section 44 of that Act is so transferred.
- (3) An order under this section shall be so framed as to secure that no person other than the Post Office, the Corporation or any of the Corporation's subsidiaries is placed in a worse position than he would have been in if the order had not been made. An order shall not be invalid by reason that in fact it does not secure that result; but if the Secretary of State is satisfied or it is determined as hereinafter mentioned that an order has failed to secure that result, the Secretary of State shall as soon as possible make the necessary amending order.
- Any dispute arising as to whether or not the said result has been secured shall be referred to and determined by an industrial tribunal.
- (4) An order under this section may be made so as to have effect from a date prior to the making thereof, so however that so much of any order as provides that any provision thereof is to have effect from a date prior to the making of the order shall not place any person other than the Post Office, the Corporation or any of the Corporation's subsidiaries! in a worse position than he would have been in if the order had been made to have effect only from the date of its making.
- (5) An order under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

34 Pensions of employees and former employees of Cable and Wireless Limited and certain other persons

- (1) Subsection (2) of section 6 of the Commonwealth Telegraphs Act 1949 (which provides for the making of regulations with respect to the payment of pensions to, or in respect of, employees of Cable and Wireless Limited) shall have effect as if, in paragraph (c) and sub-paragraphs (iv), (v) and (vi) of paragraph (d), references which include references to the Post Office included references to the Corporation.

- (2) The power to make regulations conferred on the Secretary of State by section 49 of the 1969 Act (pensions of former employees of Cable and Wireless Limited and certain other persons) shall include power to make such regulations as appear to him to be requisite for securing that the persons to whom that section applies, and persons claiming in right of them, are not adversely affected in the matter of pension rights by reason only that, in consequence of this Act, they cease to be employed by the Post Office.

Rating

35 Rating in England and Wales

- (1) In Schedule 3 to the Local Government Act 1974 (hereditaments to which section 19(1) of that Act applies) paragraph 5(a) (hereditaments occupied by the Post Office by certain property used for the purposes of telecommunication services) shall be omitted, and after paragraph 5 there shall be inserted the following paragraph—

“5A Any hereditament occupied by British Telecommunications by any such property as follows, namely, posts, wires, underground cables and ducts, telephone kiosks and other equipment not within a building, being property used for the purposes of telecommunication services.”

- (2) No proposal shall be made under section 69 of the General Rate Act 1967 for the alteration of a value which, by virtue of an order made under the said section 19, is shown in a list as the rateable value of any hereditament occupied by the Corporation by any such property as aforesaid.
- (3) For the purposes of the law relating to rating, the Corporation shall be treated as not being a public utility undertaking.
- (4) Expressions used in this section and in the General Rate Act 1967 have the same meanings in this section as in that Act.
- (5) This section extends to England and Wales only.

36 Rating in Scotland

- (1) In paragraph 5 of Schedule 1 to the Local Government (Scotland) Act 1975 (lands and heritages to which section 6 (1) of that Act applies and occupied by the Post Office by certain property used for the purposes of telecommunication services) for the words "the Post Office" there shall be substituted the words "British Telecommunications".
- (2) This section extends to Scotland only.

37 Rating in Northern Ireland

- (1) For the purposes of any valuation list in force on or after the appointed day the Secretary of State may by order determine the aggregate amount of the net annual value of the following hereditaments occupied by the Corporation for the purposes of telecommunication services, namely, posts, wires, underground cables and ducts, telephone kiosks and other equipment not within a building.
- (2) The Secretary of State shall, after consultation with the Corporation and such associations of district councils and such district councils as he considers appropriate,

- make an order under subsection (1) for the purpose of any valuation list in force on or after 1st April in a relevant year.
- (3) The aggregate amount determined under subsection (1) shall be apportioned by the Commissioner of Valuation for Northern Ireland in the valuation list prepared by him among the districts of the district councils in such manner as the Secretary of State may by order prescribe.
- (4) An order under subsection (1) may, if the Secretary of State thinks fit, provide, with respect to each of the years subsequent to the first with respect to which the order has effect or with respect to such of those years as may be specified in the order—
- (a) for the aggregate amount referred to in that subsection to be re-determined in manner prescribed by the order; or
 - (b) for the apportioned parts of that amount to be varied in manner so prescribed;
- and, where such an order includes such provision as is authorised by paragraph (a) to be included therein, the aggregate amount, as re-determined in accordance with the order, shall be apportioned among the districts of the district councils in which the hereditaments in question are situate in like manner as that amount, as determined by the order, was apportioned.
- (5) Where an order under this section includes any such provision as is authorised by subsection (4) to be included therein it may further include provision for effecting such alterations in net annual values shown in the valuation list as are rendered requisite in consequence of an apportionment effected by virtue of that subsection or a variation effected by virtue of the order and for any incidental, supplementary or consequential matters for which it appears to the Secretary of State requisite to provide for the purposes of the order.
- (6) An order under this section shall be made by statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979 which shall be subject to annulment in pursuance of a resolution of either House of Parliament in like manner as a statutory instrument and section 5 of the Statutory Instruments Act 1946 shall apply accordingly.
- (7) In this section " relevant year " means—
- (a) the year 1983 ;
 - (b) the calendar year in which a general revaluation first comes into force;
 - (c) each successive fifth year after 1983 unless a year such as is mentioned in paragraph (b) has occurred within the preceding five years.
- (8) This section extends to Northern Ireland only.

Land

38 Compulsory purchase of land in England and Wales

- (1) The Secretary of State may authorise the Corporation to purchase compulsorily any land in England and Wales which is required by it for, or in connection with, the exercise of its powers or as to which it can reasonably be foreseen that it will be so required; and the Acquisition of Land (Authorisation Procedure) Act 1946 shall apply to the compulsory purchase of land in England and Wales by the Corporation as if the Corporation were a local authority within the meaning of that Act and as if this Act had been in force immediately before the commencement of that Act.

- (2) The power of purchasing land compulsorily in this section shall include power to acquire, by the creation of a new right, an easement or other right over land, other than land which would, for the purposes of the said Act of 1946, form part of a common, open space or fuel or field garden allotment.

39 Compulsory purchase of land in Scotland

- (1) The Secretary of State may authorise the Corporation to purchase compulsorily any land in Scotland which is required for, or in connection with, the exercise of its powers or as to which it can be reasonably foreseen that it will be so required; and the Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947 shall apply to the compulsory purchase of land in Scotland by the Corporation as if the Corporation were a local authority within the meaning of that Act and as if this Act had been in force immediately before the commencement of that Act.
- (2) The power of purchasing land compulsorily in this section shall include power to acquire, by the creation of a new right, a servitude or other right over land, other than land which would, for the purposes of the said Act of 1947, form part of a common or open space.

40 Compulsory purchase of land in Northern Ireland

- (1) Where the Corporation proposes to acquire, otherwise than by agreement, any land in Northern Ireland required by it for, or in connection with, the exercise of its powers or as to which it can reasonably be foreseen that it will be so required, it may apply to the Secretary of State for an order vesting that land in it, and the Secretary of State shall have power to make such an order.
- (2) For the purposes of the acquisition of land by means of a vesting order under this section, Schedule 6 to the Local Government Act (Northern Ireland) 1972 and Schedule 8 to the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by any enactment of Northern Ireland legislation passed or made before the passing of this Act) are hereby incorporated in this Act subject to the modifications specified in subsection (3).
- (3) The said modifications are as follows—
- (a) for any reference in the said Schedule 6 to a council there shall be substituted a reference to the Corporation ;
 - (b) for any reference in either Schedule to the Ministry there shall be substituted a reference to the Secretary of State;
 - (c) for any reference in either Schedule to the Act or Order in question there shall be substituted a reference to this Act;
 - (d) in paragraph 6(2) of the said Schedule 6, for the words from " the fund " onwards there shall be substituted the words " funds of British Telecommunications (in this Schedule referred to as ' the compensation fund') and shall be discharged by payments made by British Telecommunications " ; and
 - (e) in paragraph 12(2) of that Schedule for the words " the clerk of the council" there shall be substituted the words " such person as may be designated for the purposes of this Schedule by British Telecommunications " .

- (4) The Acquisition of Land (Assessment of Compensation) Act 1919 shall, in its application to any land vested in the Authority by an order made under this section, have effect as amended by the Lands Tribunal and Compensation Act (Northern Ireland) 1964.
- (5) In this section " land " has the meaning assigned to it by section 45(1)(a) of the Interpretation Act (Northern Ireland) 1954.

41 Entry, for exploratory purposes, on land in England and Wales

- (1) A person duly authorised in writing by the Corporation may, at any reasonable time, enter upon and survey any land in England and Wales other than land covered by buildings or used as a garden or pleasure ground, for the purpose of ascertaining whether the land would be suitable for use for the purposes of its business.
- (2) Sections 280(9) and 281(1) to (3) and (6) of the Town and Country Planning Act 1971 (which contain supplementary provisions relating to the powers of entry conferred by section 280(1) to (8) thereof) shall have effect in relation to the power conferred by this section as they have effect in relation to the powers conferred by the said section 280, subject however to the following modifications, namely—
 - (a) that section 280(9) (which relates to power to search and bore for the purpose of ascertaining the nature of the subsoil or the presence of minerals therein) shall so have effect as if the words "or the presence of minerals therein " were omitted ; and
 - (b) that section 281(1) (which requires twenty-four hours' notice to be given of an intended entry upon occupied land) shall so have effect as if for the words " twenty-four hours " there were substituted the words " twenty-eight days ".
- (3) Where, in an exercise of the power conferred by this section, any damage is caused to land or to chattels, any person interested in the land or chattels may recover from the Corporation compensation in respect of the damage ; and where, in consequence of an exercise of that power, any person is disturbed in his enjoyment of any land or chattels, he may recover from the Corporation compensation in respect of the disturbance.
- (4) Section 179 of the said Act of 1971 (which provides for the determination of disputes as to compensation under Part VIII of that Act) shall apply to any question of disputed compensation under this section.
- (5) This section shall come into operation on the appointed day.

42 Entry, for exploratory purposes, on land in Scotland

- (1) A person duly authorised in writing by the Corporation may, at any reasonable time, enter upon and survey any land in Scotland, other than land covered by buildings or used as a garden or pleasure ground, for the purpose of ascertaining whether the land would be suitable for use for the purposes of its business.
- (2) Sections 265(8) and 266(1) to (3) and (6) of the Town and Country Planning (Scotland) Act 1972 (supplementary provisions as to powers of entry) shall have effect in relation to the power conferred by this section as they have effect in relation to the powers conferred by the said section 265, subject however to the following modifications, namely—

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- (a) that section 266(1) (twenty-four hours' notice to be given of an intended entry upon occupied land) shall so have effect as if for the words " twenty-four hours " there were substituted the words " twenty-eight days "; and
 - (b) that section 265(8) (power to search and bore for minerals etc.) shall so have effect as if the words " or the presence of minerals therein " were omitted.
- (3) Where, in an exercise of the power conferred by this section, any damage is caused to land or to corporeal moveables, any person interested in the land or corporeal moveables may recover from the Corporation compensation in respect of the damage ; and where, in consequence of an exercise of that power, any person is disturbed in his enjoyment of any land or corporeal moveables, he may recover from the Corporation compensation in respect of the disturbance.
- (4) Any question arising under this section as to the effect of damage or as to the amount of compensation shall, in the case of dispute, be determined by arbitration, and the reference in such an arbitration shall be to a single arbiter to be appointed by agreement between the parties or, in default of an agreement, by the Secretary of State.
- (5) This section shall come into operation on the appointed day.

43 Entry, for exploratory purposes, on land in Northern Ireland

- (1) A person duly authorised in writing by the Corporation may, at any reasonable time, enter upon and survey any land in Northern Ireland, other than land covered by buildings or used as a garden or pleasure ground, for the purpose of ascertaining whether the land would be suitable for use for the purposes of its business.
- (2) Section 40(2) to (5) and (8) of the Land Development Values (Compensation) Act (Northern Ireland) 1965 (which contain supplementary provisions relating to the power of entry conferred by subsection (1) of that section) shall have effect in relation to the power conferred by this section as they have effect in relation to the power conferred by the said subsection (1), subject however to the following modifications, namely—
- (a) that section 40(2) (which relates to power to search and bore for the purpose of ascertaining the nature of the subsoil or the presence of minerals therein) shall so have effect as if the words " or the presence of minerals therein " were omitted; and
 - (b) that section 40(3)(b) (which requires three days' notice to be given of an intended entry upon occupied land) shall so have effect as if for the word " three " there were substituted the word " twenty-eight ".
- (3) Where, in an exercise of the power conferred by this section any damage is caused to land or to chattels, any person interested in the land or chattels may recover from the Corporation compensation in respect of the damage; and where, in consequence of an exercise of that power, any person is disturbed in his enjoyment of any land or chattels, he may recover from the Corporation compensation in respect of the disturbance.
- (4) Section 31 of the said Act of 1965 (which provides for the determination of disputes as to compensation under Part III of that Act) shall apply to any question of disputed compensation under this section.
- (5) This section shall come into operation on the appointed day.

44 Acquisition of land by agreement

- (1) For the purpose of the acquisition by the Corporation by agreement of land in England and Wales, the provisions of Part I of the Compulsory Purchase Act 1965 (so far as applicable) other than sections 4 to 8, section 27 and section 31 shall apply.
- (2) For the purpose of the acquisition by the Corporation by agreement of land in Scotland, section 109(2) of the Town and Country Planning (Scotland) Act 1972 (incorporation of Lands Clauses Acts) shall, with any necessary modifications, apply for the purposes of this Act as it applies for the purposes of that Act
- (3) For the purpose of the acquisition by the Corporation by agreement of land in Northern Ireland, the Lands Clauses Acts shall be incorporated with this Act except for sections 127 to 133 (sale of superfluous land) and sections 150 and 151 (access to the special Act) of the Lands Clauses Consolidation Act 1845.

45 Miscellaneous provisions relating to land

- (1) The Chancellor and Council of the Duchy of Lancaster may, if they think fit, agree with the Corporation for the sale, and absolutely make sale, for such sum of money as appears to them to be sufficient consideration for the same, of any land belonging to Her Majesty in right of the Duchy of Lancaster which the Corporation seeks to acquire in exercise of the power conferred on it by virtue of section 2(3)(e).
- (2) A person dealing with the Corporation in respect of land shall not be bound or entitled to inquire whether the consent of the Treasury to any previous dealing with the land was requisite or whether, if it was, it was given.
- (3) Land vested in the Corporation by virtue of this Part shall be deemed for all purposes to have been acquired by it for the purposes of its undertaking.

Offences

46 Prohibition of affixing placards, notices etc. on the Corporation's property

A person who without due authority affixes or attempts to affix any placard, advertisement, notice, list, document, board or thing in or on any office, telegraph post or other property belonging to or used by the Corporation shall be guilty of an offence and liable on summary conviction to a fine not exceeding £50.

47 Assaults etc. on employees of the Corporation

- (1) A person who—
 - (a) assaults or intentionally obstructs an employee of the Corporation in the execution of his duty; or
 - (b) whilst in any office of the Corporation or premises belonging to or used with any such office, intentionally obstructs the course of business of the Corporation,
 shall be guilty of an offence and liable on summary conviction to a fine not exceeding £200.
- (2) Any person employed by the Corporation may require any person guilty of an offence under subsection (1) to leave such office or premises and, if the person so required

refuses or fails to comply with the requirement, he shall be liable on summary conviction to a further fine not exceeding £200 and may be removed by any employee of the Corporation, and any constable shall on demand remove or assist in removing any such person.

48 Fraudulent use of public telecommunication system

- (1) A person who dishonestly uses a public telecommunication system with intent to avoid payment (including any such system provided, under licence, otherwise than by the Corporation) shall be guilty of an offence and liable—
 - (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or to both ; and
 - (b) on conviction on indictment, to a fine or to imprisonment for a term not exceeding two years or to both.
- (2) This section shall come into operation on the appointed day.

49 Improper use of public telecommunication system

- (1) A person who—
 - (a) sends, by means of a public telecommunication system (including any such system provided, under a licence, otherwise than by the Corporation), a message or other matter that is grossly offensive or of an indecent, obscene or menacing character ; or
 - (b) sends by those means, for the purpose of causing annoyance, inconvenience or needless anxiety to another, a message that he knows to be false or persistently makes use for that purpose of a public telecommunication system,shall be guilty of an offence and liable on summary conviction to a fine not exceeding £200.
- (2) This section shall come into operation on the appointed day.

50 Obligation of secrecy

- (1) Information obtained by a person in the course of the provision for another, by virtue of this Part, of data processing services or services connected therewith shall not, without the consent of that other, be disclosed by the first-mentioned person except for the purpose of performing his duties in relation to those services or in such cases as may be required by law.
- (2) A person who discloses information in contravention of subsection (1) shall be guilty of an offence and liable—
 - (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or to both ;
 - (b) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or to both.

51 Offences by bodies corporate etc.

- (1) Where a body corporate is guilty of an offence under this Part and that offence is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer

of the body corporate or any person who was purporting to act in any such capacity, he, as well as the body corporate, shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

- (2) Where the affairs of a body corporate are managed by its members, subsection (1) shall apply in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

52 Summary proceedings

Proceedings for any offence under this Part punishable on summary conviction may be commenced at any time within twelve months next after the commission of the offence.

Miscellaneous

53 Documentary evidence as to sums due for services

- (1) A certificate of the Corporation that a specified sum is due to it from a specified person under provisions of a scheme made under section 21 with respect to telecommunication services shall, in any proceedings instituted by it against him or his personal representatives or against it by him or his personal representatives, be evidence (and, in Scotland, sufficient evidence) of that fact.
- (2) A certificate of the Corporation that a specified sum is due to it from a specified person under an agreement with respect to telecommunication services provided by it shall (subject to any term of the agreement to the contrary), in any proceedings instituted by it against him or his personal representatives or against it by him or his personal representatives, be evidence (and, in Scotland, sufficient evidence) of that fact.
- (3) In any proceedings instituted by or against the Corporation to which the rate at which a charge was levied at any time, in respect of a service, by an authority outside the British Islands is material, a certificate of the Corporation that the charge was levied at that rate at that time in respect of that service by that authority shall be evidence (and, in Scotland, sufficient evidence) of that fact.

54 Reimbursement by the Corporation of certain contributions to international organisations

The Corporation may reimburse the Secretary of State the whole or any part of a sum paid by him by way of contribution towards the expenses of an international organisation of which Her Majesty's Government in the United Kingdom is a member, being an organisation concerned with activities which the Corporation has power to carry on.

55 Power of local authorities to contribute towards new offices or facilities

- (1) Where a local authority consider that it would be for the benefit of the whole or any part of their area that—
- (a) any telecommunications office should be established; or
 - (b) any additional telecommunication facilities should be provided,

by the Corporation, whether within or outside the area to be benefited, the authority may undertake to pay to the Corporation any loss it may sustain by reason of the establishment or maintenance of the office or the provision of the facilities.

- (2) In the application of this section to England and Wales, references in subsection (1) to a local authority include references to a parish or community council.
- (3) In the application of this section to Scotland, nothing in subsection (1) shall authorise the giving of an undertaking as respects the establishment of an office or the provision of facilities outside the area to be benefited.

56 Records

- (1) The Public Records Act 1958 shall, as from the appointed day, have effect as if the Corporation were included amongst the bodies and establishments set out in Part II of the Table at the end of paragraph 3 of Schedule 1 to that Act.
- (2) The Secretary of State shall have power by order to vest in the Corporation the property in such records of the department of the Postmaster General as may be specified or described in the order, and to give to the Corporation, with respect to records in the case of which the property therein has been vested in the Corporation by an order under this subsection, such directions as he thinks fit for securing that they are available to the Crown for inspection and copying.

57 Interpretation and extent of Part I

- (1) In this Part—

" accounting year " means, subject to section 31(5) and paragraph 22 of Schedule 4, the period beginning with the appointed day and ending with the next following 31st March or each subsequent period of twelve months beginning with the end of a previous accounting year;

" the British Islands " means the United Kingdom and the Isle of Man;

" local authority "—

- (a) in relation to England and Wales, means a county council, the Greater London Council, a district council, a London borough council or the Common Council of the City of London;
- (b) in relation to Scotland, means a regional, islands or district council;
- (c) in relation to Northern Ireland, means a district council, the Northern Ireland Housing Executive, the Northern Ireland Electricity Service or an Education and Library Board ;

" national health service authority "—

- (a) in relation to England and Wales, means a Regional Health Authority, Area Health Authority, District Health Authority, special health authority, Family Practitioner Committee or board of governors of a teaching hospital;
- (b) in relation to Scotland, means a Health Board or the Common Services Agency for the Scottish Health Service constituted under the National Health Service (Scotland) Act 1978 ;
- (c) in relation to Northern Ireland, means a Health and Social Services Board, the Northern Ireland Central Services Agency for the Health and Social Services or the Northern Ireland Staffs Council for the Health

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and Social Services established under the Health and Personal Social Services (Northern Ireland) Order 1972;

" telecommunication system " shall be construed in accordance with section 12(1).

- (2) Any reference in this Part to data processing shall be construed as including a reference to the storage and retrieval of information.
- (3) Nothing in this Part shall be taken to restrict the construction of references to the Corporation's business so as to exclude the performance of services which, by virtue of section 2(1) (b), (c) or (d), it has power to perform.
- (4) Subject to subsection (6), this Part, except section 55 and any provision which, by its terms, is limited in its operation to a part of the United Kingdom, shall extend to the Isle of Man; and sections 12, 17, 18, 48 and 50 shall have effect, in their application to the Isle of Man, with the substitution of references to information for references to indictment.
- (5) This Part, except sections 3, 7 to 9, 11 to 23, 46 to 53 and 55 and any provision which, by its terms, is limited in its operation to a part of the United Kingdom, shall extend to the Channel Islands.
- (6) In the event of the conclusion of an agreement between the Secretary of State and the Government of the Isle of Man providing for—
 - (a) the surrender by the Corporation, as regards that Isle, of the privilege conferred on the Corporation by section 12(1); and
 - (b) the administration in that Isle of telecommunication services by, or under the authority of, that Government instead of by the Corporation,

Her Majesty may by Order in Council make such provision as it appears to Her requisite or expedient to make in order to give effect to the agreement or in consequence of the conclusion thereof, including, in particular, provision for the amendment or repeal of enactments (including enactments contained in this Act) or other instruments.

PART II

THE POST OFFICE

Powers and duties of the Post Office

58 Powers of the Post Office

- (1) For paragraphs (a) to (d) of subsection (1) of section 7 of the 1969 Act (powers of the Post Office) there shall be substituted the following paragraphs—
 - “(a) to provide postal services (including cash on delivery services) and telepost services;
 - (b) to provide banking services and such other services by means of which money may be remitted (whether by means of money orders, postal orders or otherwise) as it thinks fit;
 - (c) to perform services for British Telecommunications or any subsidiary of British Telecommunications;

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- (d) to perform services for Her Majesty's Government in the United Kingdom, Her Majesty's Government in Northern Ireland or the government of a country or territory outside the United Kingdom ;
 - (e) to perform services for local authorities or national health service authorities”.
- (2) At the end of that subsection there shall be inserted the words “and
- (f) with the consent of, or in accordance with the terms of a general authorisation given by, the Secretary of State, to perform, in such parts of post offices as are open to the public for the transaction of postal business, such services for such bodies falling within subsection (1A) below as it thinks fit.”
- (3) After that subsection there shall be inserted the following subsection—
- “(1A) The bodies referred to in subsection (1)(f) above are—
- (a) any body corporate—
 - (i) which supplies goods or services by way of business;
 - (ii) the affairs of which are managed by its members; and
 - (iii) the members of which hold office as such by virtue of their appointment to that or another office by a Minister of the Crown under any enactment;
 - (b) the London Transport Executive and any passenger transport executive established under section 9(1)(b) of the Transport Act 1968 ;
 - (c) any statutory water undertaker within the meaning of the Water Act 1973 ;
 - (d) the British Broadcasting Corporation ;
 - (e) any body corporate with a statutory duty to promote and assist the maintenance and development of the efficient supply of any goods or services by a body falling within paragraphs (a) to (d) above; or
 - (f) any wholly owned subsidiary of a body falling within paragraphs (a) to (e) above ;
- but the Secretary of State may by order made by statutory instrument exclude from this subsection such bodies or bodies of such descriptions as may be specified in the order.”
- (4) At the end of section 86(1) of that Act (interpretation of Part III) there shall be inserted the following definitions—
- “‘ telecommunication system’ shall be construed in accordance with section 12(1) of the British Telecommunications Act 1981 ;
- ‘ telepost service’ means a service whereby the Post Office does all or any of the following things, namely—
- (a) receives or collects in material form communications which are to be transmitted by means of a telecommunication system ;
 - (b) transmits by means of such a system communications which have been received or collected, or are to be delivered, in material form ; and
 - (c) delivers in material form communications which have been transmitted by means of such a system.”
- (5) Subsections (1) and (4) shall come into operation on the appointed day.

59 General duty of the Post Office

- (1) It shall be the duty of the Post Office (consistently with any directions given to it under the provisions of Part III of the 1969 Act or this Part) so to exercise its powers as to provide throughout the United Kingdom (save in so far as they are provided by other persons or the provision thereof is, in its opinion, impracticable or not reasonably practicable) such services for the conveyance of letters as satisfy all reasonable demands for them.
- (2) It shall also be the duty of the Post Office, in exercising its powers, to have regard to—
 - (a) efficiency and economy;
 - (b) the social, industrial and commercial needs of the United Kingdom with respect to matters that are subserved by its powers;
 - (c) the desirability of improving and developing its operating systems; and
 - (d) developments in the fields of communications and banking.
- (3) Subsection (1) shall not be taken to preclude the Post Office from interrupting, suspending or restricting, in the case of emergency, any service provided by it.
- (4) Nothing in this section shall be construed as imposing upon the Post Office, either directly or indirectly, any form of duty or liability enforceable by proceedings before any court.
- (5) This section shall come into operation on the appointed day.

60 Redistribution of property, rights and liabilities among wholly owned subsidiaries

- (1) Subject to subsection (5) the Post Office may make schemes—
 - (a) for the reorganisation, amalgamation or dissolution of any of its wholly owned subsidiaries;
 - (b) for the transfer, between the Post Office and any such subsidiary or between one such subsidiary and another, of any specified property, rights or liabilities, or of all property, rights and liabilities comprised in a specified part of the transferor's undertaking.
- (2) A scheme under subsection (1) may contain such supplementary, incidental and consequential provisions as may appear to the Post Office to be necessary or expedient.
- (3) Without prejudice to the generality of subsection (2), a scheme under subsection (1) (b) which transfers to a subsidiary property, rights and liabilities comprised in a part of the transferor's undertaking concerned with the provision of services which, by virtue of the provisions of this Part, the Post Office has the exclusive privilege of providing may provide that such enactments relating to the provision of those services as may be specified in the scheme shall apply in relation to the subsidiary (but only so long as it remains a wholly owned subsidiary of the Post Office) as they apply in relation to the Post Office.
- (4) Without prejudice to any power conferred on it by any other enactment, the Post Office may establish subsidiaries for the purposes of schemes under subsection (1)(b).
- (5) A scheme under subsection (1) shall not come into force unless it has been approved by the Secretary of State or until such date as the Secretary of State may in giving his approval specify; and the Secretary of State may approve a scheme either without

modifications or with such modifications as, after consultation with the Post Office, he thinks fit.

- (6) Notice of the coming into force of a scheme under subsection (1)(b) which contains such provision as is mentioned in subsection (3) shall be published by the Post Office—
- (a) if the scheme relates in whole or in part to England and Wales, in the London Gazette;
 - (b) if the scheme relates in whole or in part to Scotland, in the Edinburgh Gazette; and
 - (c) if the scheme relates in whole or in part to Northern Ireland, in the Belfast Gazette.
- (7) Subject to subsection (8), in the case of any scheme under subsection (1)(b) the property, rights and liabilities in question shall on the date of the coming into force of the scheme be transferred, and by virtue of the scheme vest, in accordance with the scheme.
- (8) Schedule 2 shall apply to any transfer under subsection (7) subject to any reference in that Schedule to a transfer by or a vesting by virtue of this Act being construed as a reference to a transfer by or a vesting by virtue of the scheme in question, and that subsection shall have effect subject to the provisions of that Schedule.

61 Control of wholly owned subsidiaries

- (1) As regards any wholly owned subsidiary of the Post Office, the Post Office shall so exercise the rights conferred on it by the holding of its interests therein as to secure that no person is elected chairman of the board of directors of the subsidiary except after consultation with the Secretary of State as to his suitability for election.
- (2) As regards any wholly owned subsidiary of the Post Office, the Post Office shall secure that, notwithstanding anything in the subsidiary's memorandum or articles of association, the subsidiary does not—
- (a) engage in any activity which the Post Office itself has no power to engage in or has power to engage in only with the consent of the Secretary of State ;
 - (b) issue any of its shares, stock or debentures to a person other than—
 - (i) the Post Office or another wholly owned subsidiary of the Post Office; or
 - (ii) a person who is to hold them as a nominee of the Post Office or of a wholly owned subsidiary of the Post Office ; or
 - (c) transfer any interest of the subsidiary in another wholly owned subsidiary of the Post Office to a person not within paragraph (b)(i) or (ii),
- except with the consent of, or in accordance with the terms of any general authority given by, the Secretary of State.
- (3) As regards any wholly owned subsidiary of the Post Office, the Post Office shall not transfer any of its interest therein to a person other than—
- (a) another wholly owned subsidiary of the Post Office; or
 - (b) a person who is to hold it as a nominee of the Post Office or of a wholly owned subsidiary of the Post Office,
- except with the consent of, or in accordance with a general authorisation given by, the Secretary of State.

- (4) As regards any wholly owned subsidiary of the Post Office, the Post Office shall secure that the subsidiary seeks consultation with any organisation appearing to the subsidiary to be appropriate with a view to the conclusion between it and that organisation of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance of machinery for—
- (a) the settlement of terms and conditions of employment of persons employed by the subsidiary ;
 - (b) the promotion and encouragement of measures affecting efficiency in the carrying on by the subsidiary of its activities, including, in particular, the promotion and encouragement of the training of persons employed by the subsidiary ; and
 - (c) the promotion and encouragement of measures affecting the safety, health and welfare of persons employed by the subsidiary.

Powers of the Secretary of State over the Post Office

62 General control and supervision by the Secretary of State

- (1) For subsection (1) of section 11 of the 1969 Act (which provides for general control and supervision of the Post Office by the Secretary of State) there shall be substituted the following subsections—
- “(1) The Post Office shall give effect to any direction given to it by the Secretary of State under the provisions of this Part of this Act or Part II of the British Telecommunications Act 1981 and shall secure, so far as appropriate, that each of its wholly owned subsidiaries also gives effect to any such direction.
- (1A) The Secretary of State may, after consultation with the Post Office, give to it such directions of a general character as to the exercise by it of its powers as appear to the Secretary of State to be requisite in the national interest.”
- (2) In subsection (4) of that section—
- (a) after the words " Post Office" where first occurring there shall be inserted the words " or any wholly owned subsidiary of its ";
 - (b) for the words " the following provisions of this Part of this Act" there shall be substituted the words " the provisions of Part II of the said Act of 1981 ";
 - (c) for the words " it ceases so to do " there shall be substituted the words " the Post Office or subsidiary ceases so to do ".
- (3) For subsection (5) of that section there shall be substituted the following subsections—
- “(5) The Secretary of State may, after consultation with the Post Office, direct the Post Office—
- (a) to make a scheme under subsection (1) of section 60 of the said Act of 1981, or to exercise its powers under subsection (4) of that section, for such purposes and in such manner as may be specified in the direction ; or
 - (b) to dispose of any part of its undertaking or any assets held by it or to exercise its control over any wholly owned subsidiary of its so as to cause the subsidiary to dispose of any part of its undertaking or any assets held by it;

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but the Secretary of State shall not give any direction under paragraph (b) above unless he is satisfied that he will not thereby impede or prevent the proper discharge of the Post Office's duty under section 59(1) of the said Act of 1981.

(5A) The Secretary of State shall lay before each House of Parliament a copy of every direction given under subsection (5) above unless he is of opinion that disclosure of the direction is against—

- (a) the interests of national security; or
- (b) the commercial interests of any person.”

(4) In subsection (6) of that section—

- (a) for the word " directions " there shall be substituted the word " direction "; and
- (b) for the words " it is against the interests of national security to do so " there shall be substituted the words “disclosure of the direction is against—
 - (i) the interests of national security ; or
 - (ii) the commercial interests of a person other than the Post Office and its wholly owned subsidiaries”.

(5) Subsection (7) of that section shall be omitted.

(6) For subsection (9) of that section there shall be substituted the following subsection—

- “(9) The Post Office, in such manner and at such times as the Secretary of State may specify in writing to it, shall furnish him with such information—
- (a) as he may so specify, and
 - (b) as the Post Office has or can reasonably be expected to obtain, with respect to such matters relating to the Post Office or its subsidiaries or the activities (past, present or future), plans or properties of any of them as the Secretary of State may so specify.”

(7) In subsection (10) of that section, for the words "performance by it of its functions " there shall be substituted the words " performance by it and its subsidiaries of its and their functions ".

(8) In subsection (11) of that section —

- (a) for the word " section " there shall be substituted the words " Part of this Act or Part II of the said Act of 1981 "; and
- (b) for the words " subsection (6) above " there shall be substituted the words " subsection (6)(a) above ".

(9) This section shall come into operation on the appointed day.

63 Activities requiring consultation with the Secretary of State

(1) The Post Office shall consult with the Secretary of State before it and all of its wholly owned subsidiaries taken together (in this section referred to as " the group ") during any accounting year construct, manufacture or produce, for the relevant purpose, things of any kind to an extent substantially greater than that to which the group constructed, manufactured or produced, for that purpose, things of that kind during the relevant period.

- (2) The Post Office shall also consult with the Secretary of State before the group during any accounting year constructs, manufactures or produces to a substantial extent, for the relevant purpose, things of a kind that the group did not construct, manufacture or produce for that purpose during the three accounting years immediately preceding that year.
- (3) In this section—
- " the relevant period " means, in relation to things of any kind and any accounting year, whichever of the three accounting years immediately preceding that year was the one in which the group constructed, manufactured or produced, for the relevant purpose, things of that kind to the greatest extent;
- " the relevant purpose " means the purpose of—
- (a) use by the Post Office or any of its wholly owned subsidiaries;
- (b) supply by the Post Office or any of its wholly owned subsidiaries to British Telecommunications or a subsidiary of British Telecommunications; or
- (c) supply by the Post Office or any of its wholly owned subsidiaries to outside persons for use by such persons in connection with services provided by the Post Office or any of its wholly owned subsidiaries ;
- and for the purposes of this section the assembly of an article in the course of its installation at the place where it is to be used shall not be taken to constitute its manufacture, construction or production.
- (4) This section shall Come into operation on the appointed day.

64 Activities requiring approval of the Secretary of State

- (1) Neither the Post Office nor any of its wholly owned subsidiaries shall, except with the approval of the Secretary of State, construct, manufacture, produce or purchase, otherwise than for the relevant purpose, things of any kind to a substantial extent.
- (2) The Secretary of State—
- (a) may give approval for the purposes of subsection (1) subject to such conditions (if any) as he may think fit; and
- (b) notwithstanding the giving of approval, may at any time, after consultation with the Post Office, direct it to discontinue or, as the case may be, to exercise its control over any of its wholly owned subsidiaries so as to require the subsidiary to discontinue, any activity that the Post Office or, as the case may be, the subsidiary is carrying on with approval.
- (3) The Secretary of State shall publish, in such manner as he thinks fit, particulars of any approval given by him under subsection (1).
- (4) In carrying on any activities to which subsection (1) applies, the Post Office shall act as if it were a company engaged in a commercial enterprise, and it shall so exercise its control over each of its wholly owned subsidiaries that carries on any such activities as to ensure that the subsidiary so acts.
- (5) In this section " the relevant purpose " has the same meaning as in section 63.
- (6) This section shall come into operation on the appointed day.

Post Office Users' Councils

65 Power to provide that certain services shall no longer be referable to Post Office Users' Councils

- (1) The Secretary of State may, after consultation with the Post Office and the Post Office Users' National Council, provide by order made by statutory instrument that as from such date as may be specified in the order references in sections 14 and 15 of the 1969 Act to services provided by, or main services of, the Post Office shall not include references to such services as may be so specified, not being services which, by virtue of the provisions of this Part of this Act, the Post Office has the exclusive privilege of providing.
- (2) A statutory instrument containing an order under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Exclusive privilege of the Post Office with respect to the conveyance etc. of letters

66 Exclusive privilege of the Post Office with respect to the conveyance etc. of letters

- (1) Subject to the following provisions of this Part, the Post Office shall have throughout the United Kingdom the exclusive privilege of conveying letters from one place to another and of performing all the incidental services of receiving, collecting and delivering letters.
- (2) A person who—
 - (a) does any act, or performs any service, which infringes the exclusive privilege conferred on the Post Office by subsection (1); or
 - (b) causes to be conveyed, or tenders or delivers in order to be conveyed, any letter by any means which infringes that privilege,shall be guilty of an offence.
- (3) A person guilty of an offence under this section shall be liable—
 - (a) on summary conviction, to a fine not exceeding the statutory maximum;
 - (b) on conviction on indictment, to a fine.
- (4) Where a body corporate is guilty of an offence under this section and that offence is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he, as well as the body corporate, shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Where the affairs of a body corporate are managed by its members, this subsection shall apply in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

- (5) In this section and section 67—

"correspondent", in relation to a letter or other communication, means the sender or the addressee ;

"employee", in relation to a body corporate, includes any officer or director of the body corporate and any other person taking part in its management, and "employer" and other cognate expressions shall be construed accordingly ;

"letter" means any communication in written form which—

- (a) is directed to a specific person or address ;
- (b) relates to the personal, private or business affairs of, or the business affairs of the employer of, either correspondent; and
- (c) neither is to be nor has been transmitted by means of a telecommunication system, and includes a packet containing any such communication ;

"sender", in relation to any letter or other communication, means the person whose communication it is.

- (6) References in the 1953 Act, the 1969 Act or this Part to services which, by virtue of the provisions of this Part, the Post Office has the exclusive privilege of providing are references to services the provision of which by a person other than the Post Office would necessarily infringe the privilege conferred by subsection (1); and for this purpose licences granted under section 68(1) shall be disregarded.

67 General classes of acts not infringing the postal privilege

- (1) The privilege conferred on the Post Office by section 66(1) is not infringed by—
 - (a) the conveyance and delivery of a letter personally by the sender;
 - (b) the conveyance and delivery of a letter by a personal friend of the sender;
 - (c) the conveyance and delivery of a letter by a messenger sent for the purpose by either correspondent;
 - (d) the conveyance of an overseas letter to an aircraft by a messenger sent for the purpose by the sender and the conveyance of that letter out of the United Kingdom by means of that aircraft;
 - (e) the conveyance and delivery of any document issuing out of a court of justice or of any return or answer thereto;
 - (f) the conveyance of letters from merchants who are the owners of a merchant ship or commercial aircraft, or of goods carried in such a ship or aircraft, by means of that ship or aircraft, and the delivery thereof to the addressees by any person employed for the purpose by those merchants, so however that no payment or reward, profit or advantage whatever is given or received for the conveyance or delivery of those letters ;
 - (g) the conveyance and delivery of letters by any person, being letters concerning and for delivery with goods carried by that person, so however that no payment or reward, profit or advantage whatever is given or received for the conveyance or delivery of those letters ;
 - (h) the conveyance and delivery to the Post Office of pre paid letters for conveyance and delivery by the Post Office to the addressees, and the collection of such letters for that purpose ;
 - (i) the conveyance and delivery of letters by a person who has a business interest in those letters, and the collection of letters for that purpose;
 - (j) the conveyance and delivery of banking instruments from one bank to another or from a bank to a government department, and the collection of such instruments for that purpose;

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- (k) the collection, conveyance and delivery of coupons or other entry forms issued by authorised promoters in connection with established competitions.
- (2) Nothing in paragraphs (a) to (g) of subsection (1) shall authorise any person to make a collection of letters for the purpose of their being conveyed in any manner authorised by those paragraphs.
- (3) For the purposes of paragraph (f) of subsection (1) a person has a business interest in a letter if, and only if—
- (a) he is an employee of one of the correspondents or of a member of the same group as one of the correspondents and the letter relates to the business affairs of that correspondent; or
 - (b) he and one of the correspondents are employees of the same person or of different members of the same group and the letter relates to the business affairs of that person or, as the case may be, the employer of that correspondent.
- (4) In this section—
- " authorised promoter " means—
 - (a) a registered football pool promoter;
 - (b) a person who is or has at any time been an associate (within the meaning of section 184 of the Consumer Credit Act 1974) of such a promoter; or
 - (c) a registered pool promoter to whom a certificate has been granted under section 1 of the Pool Competitions Act 1971;
 - " bank " means—
 - (a) the Bank of England;
 - (b) a recognised bank or licensed institution within the meaning of the Banking Act 1979 ;
 - (c) the Post Office or a trustee savings bank; or
 - (d) the central bank of a member State other than the United Kingdom;
 - " banking instrument" means—
 - (a) any cheque or other instrument to which section 4 of the Cheques Act 1957 applies;
 - (b) any document issued by a public officer which is intended to enable a person to obtain payment from a government department of the sum mentioned in the document;
 - (c) any bill of exchange not falling within paragraph (a) or (b) or any promissory note;
 - (d) any postal order or money order;
 - (e) any credit transfer, credit advice or debit advice; or
 - (f) any list of items, or any copy of an item, falling within the foregoing paragraphs;
 - "established competition", in relation to an authorised promoter, means a competition which is of the same kind as or is broadly similar to a competition held by him before the passing of this Act;
 - "government department" includes any Minister of the Crown and any Northern Ireland department;
 - "group" means a body corporate and all of its wholly owned subsidiaries taken together;

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"overseas letter" means a letter which is directed to a specific person or address outside the United Kingdom ;

" pre-paid letter " includes any letter which, in pursuance of arrangements made with the Post Office, does not require to be pre-paid ;

" registered pool promoter " has the meaning assigned by section 4(2) of the Betting, Gaming and Lotteries Act 1963, and "registered football pool promoter" shall be construed accordingly;

" ship " includes any boat, vessel or hovercraft.

68 Savings for things done under a licence

- (1) A licence may be granted by the Secretary of State after consultation with the Post Office, either unconditionally or subject to any conditions specified in the licence, and either irrevocably or subject to revocation as therein specified, for the doing of any such act or the performance of any such service falling within subsection (1) of section 66 as is specified in the licence; and anything done under and in accordance with a licence granted under this subsection shall not constitute an infringement of the privilege conferred by that subsection.
- (2) A licence granted under subsection (1) shall, unless previously revoked in accordance with any term in that behalf contained in the licence, continue in force for such period as may be specified therein.
- (3) A licence granted under subsection (1) may be granted either to persons of a class or to a particular person, and may include (without prejudice to the power to impose conditions conferred by that subsection) conditions requiring the rendering to the Secretary of State or the Post Office or both of a payment on the grant of the licence or periodic payments during the currency of the licence or both.
- (4) A payment required by virtue of this section to be rendered to any person may be recovered by that person in any court of competent jurisdiction and, except in Scotland, may be so recovered as if it were a simple contract debt.
- (5) A licence granted under subsection (1) to persons of a class shall be published in such manner as appears to the Secretary of State to be appropriate for bringing it to the attention of the persons for whose benefit it will enure, and a licence expressed to be so granted must be in writing.
- (6) For the purposes of a licence granted under subsection (1) above, the definition of a class of persons may be framed by reference to any circumstances whatever.
- (7) Any sums received by the Secretary of State under this section shall be paid into the Consolidated Fund.

69 Suspension of the postal privilege

- (1) The Secretary of State may, after consultation with the Post Office, by order suspend the exclusive privilege conferred on the Post Office by section 66(1) for such a period and to such extent as may be specified in the order.
- (2) For the purposes of an order made under this section, any definition of a class of letters may be framed by reference to any circumstances whatever ; and in this subsection " letter " has the same meaning as in section 66.

- (3) An order under this section may contain such supplementary, incidental and consequential provisions as may appear to the Secretary of State to be necessary or expedient.
- (4) An order under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Limitation of liability

70 The Post Office to be subject to limited liability in respect of certain inland packets

- (1) in subsection (1) of section 30 of the 1969 Act (the Post Office to be subject to limited liability in respect of registered inland packets) for the words "registered inland packet" there shall be substituted the words " packet to which this section applies ".
- (2) For subsection (3) of that section there shall be substituted the following subsection—
 - “(3) The amount recoverable in any proceedings under this section in relation to a packet of any description shall not exceed—
 - (a) the market value of the packet at the time when the cause of action arises ; or
 - (b) the maximum amount payable under a scheme made under section 28 of this Act for compensating the person aggrieved in respect of a packet of that description;and for the purposes of paragraph (a) above the market value of a packet shall not include the market value of any message or information which it bears or the market value of any item which, in relation to packets of that description, is excluded from the operation of this section by a scheme made under section 28 of this Act.”
- (3) In subsection (4) of that section after the word " packet", in the first place where it occurs, there shall be inserted the words " of any description " and for the words "registered inland packets " there shall be substituted the words " packets of that description at the time when they are posted ".
- (4) After subsection (6) of that section there shall be inserted the following subsection—
 - “(6A) For the purposes of this section a scheme made under section 28 of this Act may define a description of packet by reference to any circumstances whatever, including in particular the amount of any fee paid in respect of the packet in pursuance of the scheme.”
- (5) In subsection (7) of that section—
 - (a) after the definition of " inland packet" there shall be inserted the following definition—
 - “'packet to which this section applies' means any inland packet in respect of which, in pursuance of a scheme made under section 28 of this Act, the Post Office accepts liability under this section ;”;and
 - (b) in the definition of " sender " for the words " registered inland packets " there shall be substituted the words " packets to which this section applies ".

- (6) In subsection (1) of section 28 of that Act (schemes for determining charges and other terms and conditions applicable to services) after the words " but so that " there shall be inserted the words " except as provided by section 30(3) of this Act ".
- (7) At the end of subsections (2) and (3) of section 29 of that Act (exclusion of liability of employees etc. of the Post Office) there shall be inserted the words " or any loss of, or damage to, a packet to which the next following section applies ".
- (8) This section shall come into operation on the appointed day.

Finance

71 General duty of the Post Office as to finance

- (1) It shall be the duty of the Post Office so to exercise its powers as to secure that the combined revenues of the Post Office and all its wholly owned subsidiaries together are not less than sufficient—
 - (a) to meet all their combined charges properly chargeable to revenue account, taking one year with another; and
 - (b) to enable the Post Office and its wholly owned subsidiaries to make all such allocations to reserve as the Post Office considers adequate, and as may be necessary to comply with any directions given by the Secretary of State under section 72.
- (2) The secretary of state may from time to time determine, with the time approval of the treasury after consultation with the Post Office, as respects such period as he may so determine, the financial objectives which, having regard to the duty imposed on it by subsection (1), he considers it is reasonable for the Post Office to achieve in that period; and —
 - (a) different determinations may be made for different periods and in relation to different assets and different activities of the Post Office; and
 - (b) the Secretary of State may, with the like approval and after such consultation as aforesaid, vary or revoke a determination under this section in respect of any period by a further determination.
- (3) A determination under subsection (2)—
 - (a) may relate to a period beginning before the date on which it is made; and
 - (b) may contain incidental or supplemental provisions.
- (4) The Secretary of State shall give notice in writing to the Post Office of any determination under subsection (2).
- (5) The Post Office shall conduct its affairs during any period in respect of which a determination has been made under subsection (2) with a view to achieving the financial objectives specified by the determination as for the time being in force.

72 Reserves of the Post Office and its wholly owned subsidiaries

- (1) The Secretary of State may from time to time, after consultation with the Post Office and with the approval of the Treasury, give to the Post Office directions—

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- (a) requiring it to allocate to reserve generally, or to reserve for a particular purpose, or to cause any of its wholly owned subsidiaries so to allocate, either a specified amount or such amount as the Post Office considers adequate; or
 - (b) requiring it to re-allocate for a specified purpose, or to cause any of its wholly owned subsidiaries so to reallocate, the whole or any part of any amount previously allocated by the Post Office or subsidiary, as the case may be, to reserve for some other purpose; or
 - (c) with respect to the application by the Post Office or any of its wholly owned subsidiaries of amounts allocated to reserve.
- (2) Directions under subsection (1) requiring the allocation of any amount to reserve may provide for it to be so allocated either at a specified time or during the course of a specified period.

73 Borrowing powers of the Post Office and its wholly owned subsidiaries

- (1) The Post Office may borrow temporarily, by way of overdraft or otherwise.—
- (a) in sterling from the Secretary of State; or
 - (b) with the consent of the Secretary of State and the approval of the Treasury, in sterling or a currency other than sterling from a person other than the Secretary of State,
- such sums as may be required for meeting the obligations and discharging the functions of the Post Office or any of its wholly owned subsidiaries.
- (2) The Post Office may borrow, otherwise than by way of temporary loan.—
- (a) in sterling from the Secretary of State; or
 - (b) with the consent of the Secretary of State and the approval of the Treasury, in sterling or a currency other than sterling from a person other than the Secretary of State,
- such sums as may be required by the Post Office or any of its wholly owned subsidiaries for all or any of the purposes mentioned in subsection (3).
- (3) The said purposes are—
- (a) provision of money for meeting any expenses incurred by the Post Office or any of its subsidiaries in connection with any works the cost of which is chargeable to capital account;
 - (b) provision of working capital required by it or any such subsidiary;
 - (c) subscription for, or acquisition of, securities of an incorporated company or other body corporate, promotion of the formation of an incorporated company or participation in the promotion of such a company or acquisition of an undertaking or part of an undertaking ;
 - (d) repayment of any money borrowed by it or any such subsidiary and repayment of any sums issued by the Treasury in fulfilment of a guarantee under section 38 of the 1969 Act;
 - (e) repayment of any part of the debt assumed by it under section 33 of that Act; and
 - (f) any other purpose for which capital moneys are properly applicable.
- (4) The Post Office may borrow from any of its wholly owned subsidiaries without any consent, approval or other authority.

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- (5) References in this section and section 74 to borrowing by the Post Office do not include references to receiving any money in its capacity as the provider of any services or the supplier of any apparatus, or using money received in that capacity.
- (6) It shall be the duty of the Post Office to secure that none of its wholly owned subsidiaries borrows otherwise than from the Post Office or from another of its wholly owned subsidiaries except with the consent of the Secretary of State and the approval of the Treasury.
- (7) A person lending money to the Post Office shall not be concerned to inquire whether the borrowing of the money is legal or regular or whether the money raised was properly applied and shall not be prejudiced by any illegality or irregularity or by the misapplication or non-application of any of the money.
- (8) This section shall come into operation on the appointed day.

74 Limitation of indebtedness

- (1) The Post Office shall not have the power to borrow money except in accordance with section 73.
- (2) The aggregate of—
 - (a) the amount outstanding, otherwise than by way of interest, in respect of—
 - (i) money borrowed by the Post Office or any of its wholly owned subsidiaries, other than money borrowed on excluded loans ;
 - (ii) sums issued by the Treasury in fulfilment of guarantees under section 38 of the 1969 Act; and
 - (iii) the debt assumed by the Post Office under section 33 of that Act; and
 - (b) sums received by it under section 3(1) of the Post Office (Banking Services) Act 1976 (public dividend capital),
 shall not at any time exceed £1,200 million or such greater sum, not exceeding £1,700 million, as the Secretary of State may from time to time by order specify.
- (3) A loan is an excluded loan for the purposes of subsection (1) if it consists of money borrowed—
 - (a) by the Post Office from one of its wholly owned subsidiaries ; or
 - (b) by one of its wholly owned subsidiaries from another such subsidiary or from the Post Office.
- (4) An order under subsection (2) shall be made by statutory instrument, and no such order shall be made unless a draft thereof has been approved by a resolution of the Commons House of Parliament.
- (5) This section shall come into operation on the appointed day.

75 The Post Office's accounts and audit thereof

- (1) Subject to the following provisions of this section, it shall be the duty of the Post Office—
 - (a) to keep proper accounts and proper records in relation thereto;
 - (b) to prepare in respect of each accounting year a statement of accounts giving a true and fair view of the state of affairs and profit or loss of the Post Office; and

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- (c) to prepare in respect of each accounting year such a statement or statements of consolidated accounts dealing with, and giving a true and fair view of the state of affairs and profit or loss of.—
 - (i) the Post Office and all of its subsidiaries (in this section referred to as " the group "); or
 - (ii) some but not all the members of the group, as the Post Office may determine and the Secretary of State and the Treasury may for the time being approve.
- (2) If the Secretary of State with the consent of the Treasury so requires the Post Office by notice in writing, the Post Office shall, in respect of any accounting year to which the notice relates, comply with its obligation under subsection (1)(c), so far as it relates to those members of the group which are specified in the notice, by preparing a statement of consolidated accounts dealing with the members of the group specified in the notice and giving a true and fair view of their state of affairs and profit or loss.
- (3) Every statement of accounts prepared by the Post Office in accordance with this section shall comply with any requirement which the Secretary of State has, after consultation with the Post Office and with the consent of the Treasury, notified in writing to the Post Office relating to—
 - (a) the information to be contained in the statement;
 - (b) the manner in which that information is to be presented ; and
 - (c) 'the methods and principles according to which the statement is to be prepared.
- (4) Subject to any requirement notified to the Post Office under subsection (3), in preparing any statement of accounts in accordance with this section, the Post Office shall follow, with respect to each of the matters specified in paragraphs (a) to (c) of that subsection, such course as may for the time being be approved by the Secretary of State with the consent of the Treasury.
- (5) If the Secretary of State after consultation with the Post Office so directs in relation to an accounting year of the Post Office, that accounting year shall end on such date as may be specified in the direction (whether before or after the date on which it would otherwise end).
- (6) The accounts kept, and all statements prepared, by the Post Office under this section shall be audited by auditors appointed for each accounting year by the Secretary of State after consultation with the Post Office.
- (7) A person shall not be qualified for appointment under subsection (6) unless he is a member of one or more bodies of accountants established in the United Kingdom and for the time being recognised for the purposes of section 161(1)(a) of the Companies Act 1948 by the Secretary of State; but a Scottish firm may be so appointed if each of the partners therein is qualified to be so appointed.
- (8) As soon as the accounts kept, and the statements prepared, by the Post Office under this section have been audited, the Post Office shall send to the Secretary of State—
 - (a) a copy of the statements ;
 - (b) copies of the statements of accounts for such of its subsidiaries as the Post Office may, with the approval of the Secretary of State and the consent of the Treasury, determine; and
 - (c) if the Secretary of State with the consent of the Treasury so requires by notice in writing, copies of the statements of accounts for each subsidiary of the Post Office which is specified in the notice,

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together with a copy of any report made by the auditors on the statements or on the accounts of the Post Office; and the Secretary of State shall lay a copy of every statement and report of which a copy is received by him in pursuance of this subsection before each House of Parliament.

- (9) This section shall come into operation on the appointed day.

Pensions

76 Power of the Secretary of State to make orders about pensions

- (1) The Secretary of State may make orders under this section providing for either or both of the following matters, namely—
- (a) the enabling of employees of any of the Post Office's subsidiaries to participate or continue to participate in any pension scheme established by the Post Office under section 43 of the 1969 Act; and
 - (b) any matter supplemental or incidental to or consequential on the matter aforesaid, including the amendment of any statutory provision and any trust deed, rules or other instrument made for the purposes of such a scheme;

but nothing in this section shall authorise the making of provision for the diversion of any part of a pension fund to purposes other than the payment of pensions to or in respect of employees of any of the Post Office's subsidiaries.

- (2) An order under this section shall be so framed as to secure that no person other than the Post Office or any of its subsidiaries is placed in a worse position than he would have been in if the order had not been made.

An order shall not be invalid by reason that in fact it does not secure that result; but if the Secretary of State is satisfied or it is determined as hereinafter mentioned that an order has failed to secure that result, the Secretary of State shall as soon as possible make the necessary amending order.

Any dispute arising as to whether or not the said result has been secured shall be referred to and determined by an industrial tribunal.

- (3) An order under this section may be made so as to have effect from a date prior to the making thereof, so however that so much of any order as provides that any provision thereof is to have effect from a date prior to the making of the order shall not place any person other than the Post Office or any of its subsidiaries in a worse position than he would have been in if the order had been made to have effect only from the date of its making.
- (4) An order under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Miscellaneous

77 Delivery boxes

For Paragraph (c) of section 87(2) (delivery of postal packets) of the Post Office Act 1953 (in this Act referred to as " the 1953 act) there shall be substituted the following paragraph —

- “(c) the delivery of a postal packet—
- (i) at the premises to which it is addressed or redirected, except they be a post office from which it is to be collected ;
 - (ii) to any box or receptacle to which the occupier of those premises has agreed that postal packets addressed to persons at those premises may be delivered ; or
 - (iii) to the addressee's servant or agent or to some other person considered to be authorised to receive the packet, shall be a delivery to the addressee.”

78 Interpretation and extent of Part II

- (1) This Part shall be construed as one with Part III of the 1969 Act.
- (2) This Part, except sections 59 and 63 to 70, shall extend to the Isle of Man and the Channel Islands.

PART III

MISCELLANEOUS AND GENERAL

79 Powers of Treasury to dispose etc. of the shares of Cable and Wireless Limited

- (1) The Treasury after consultation with the Secretary of State may at any time dispose of their interest in all or any of the shares of Cable and Wireless Limited in consideration of such sums as the Treasury may fix; and after any such disposal section 1(1) of the Imperial Telegraphs Act 1938 and section 3(5) of the Cable and Wireless Act 1946 (which require the payment into the Exchequer of dividends paid on the said shares) shall not apply to dividends so paid in respect of the shares to which the disposal relates.
- (2) The Treasury after consultation with the Secretary of State may at any time—
 - (a) acquire an interest in any shares or stock of Cable and Wireless Limited or any of its subsidiaries or in any rights to subscribe for any such shares; and
 - (b) dispose of an interest so acquired in consideration of such sum as the Treasury may fix.
- (3) Any sums required by the Treasury for making an acquisition under subsection (2) shall be paid out of moneys provided by Parliament; and any sums received by the Treasury in consideration of a disposal made under subsection (1) or (2), or by way of dividend or otherwise in right of any interest acquired by them under subsection (2), shall be paid into the Consolidated Fund.

80 Amendment of the Telegraph Acts

- (1) In section 3 of the Telegraph Act 1863 for the definition of "telegraph" there shall be substituted the following definition—
 - “The term 'telegraph' means—
 - (a) any wire, cable, tube, pipe or other thing whatsoever used or intended to be used for the purpose of transmitting telegraphic messages or maintaining telegraphic communication;

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- (b) any casing, coating, tube, pipe or other thing whatsoever enclosing or intended to enclose anything falling within paragraph (a) of this definition ; and
- (c) any apparatus which is connected with any thing falling within the said paragraph (a) and is used or intended to be used for the purpose there mentioned.”

(2) For section 26 of the said Act of 1863 there shall be substituted the following section—

“26 Determination of objection by arbitration.

- (1) After the receipt by British Telecommunications of such a notice of objection, either party may require the objection to be referred to an arbitrator to be appointed, in default of agreement, by the President of the Chartered Institute of Arbitrators ; and the reasonable expenses and remuneration of the arbitrator shall be paid by British Telecommunications.
 - (2) In the application of this section and sections 27 to 29 and 33 of this Act to Scotland, any reference to an arbitrator shall be construed as a reference to an arbiter.
 - (3) The Arbitration Act (Northern Ireland) 1937, except the provisions set out in Schedule 3 to that Act, shall apply in relation to any arbitration under this section or section 33 of this Act in Northern Ireland as if the arbitration were pursuant to an arbitration agreement and as if this Act were such an agreement, except in so far as that Act is inconsistent with this Act.”
- (3) In consequence of subsection (2)—
- (a) in section 24 of the said Act of 1863 the words " and send " onwards shall be omitted ;
 - (b) in sections 27 to 29 of that Act for the words " Board of Trade ", wherever occurring, there shall be substituted the word " arbitrator ";
 - (c) in section 33 of that Act for the words " the Board of Trade" there shall be substituted the words " an arbitrator to be appointed, in default of agreement, by the President of the Chartered Institute of Arbitrators ; and the reasonable expenses and remuneration of the arbitrator shall be paid by British Telecommunications " ; and
 - (d) section 34 of that Act shall be omitted.
- (4) Subsection (1) shall extend to the Isle of Man ; and, subject to subsection (5), subsections (2) and (3) shall come into operation on the appointed day.
- (5) Nothing in subsections (2) and (3) shall affect the operations of sections 26 to 29 and 34 of the said Act of 1863 in relation to any hearing begun before the appointed day.

81 Stamp duty

- (1) Stamp duty shall not be chargeable on any instrument which is certified to the Commissioners of Inland Revenue by the Corporation, the Post Office or any wholly owned subsidiary of either of those bodies as having been made or executed in pursuance of section 10 or Schedule 2; but no such instrument shall be deemed to be duly stamped unless it is stamped with the duty to which it would but for this subsection be liable or it has, in accordance with the provisions of section 12 of

the Stamp Act 1891, been stamped with a particular stamp denoting that it is not chargeable with any duty or that it is duly stamped.

- (2) Where the Commissioners of Inland Revenue are satisfied that the conditions specified in paragraph (a) or (b) of subsection (3) are fulfilled, stamp duty shall not be chargeable under section 47 of the Finance Act 1973 in respect of the amount which is to form the capital of a company or in respect of any increase in the capital of a company if or to the extent that the Commissioners are also satisfied—
 - (a) in a case falling within paragraph (a) of subsection (3), that the total issued capital of the company, whether share capital or loan capital, on the relevant transfer date referred to in the said paragraph (a) will not exceed the total value of the assets less the liabilities transferred ;
 - (b) in a case falling within paragraph (b) of that subsection, that the amount or aggregate amount of the increase of issued share capital or of the loan capital to be issued or of both does not exceed the total value of the assets less liabilities to be transferred.
- (3) The said conditions are—
 - (a) that the company is a company formed for the purpose of a transfer to be effected under section 4(7) or 60(7) and, in the case of an increase of issued share capital, that the increase is to take place on or before the transfer date;
 - (b) in the case of an increase of issued share capital to which paragraph (a) does not apply, that the increase is for the purpose of a transfer to be effected under section 4(7) or 60(7) and is to take place on or before the transfer date.

82 Tax provisions

- (1) For the purposes of the Capital Gains Tax Act 1979 any asset transferred by this Act from the Post Office to the Corporation, or from the Corporation to the Post Office, shall be deemed to be for a consideration such that no gain or loss accrues to the transferor on its transfer; and Schedule 5 to that Act shall have effect in relation to any asset so transferred as if the acquisition or provision of it by the transferor, or the acquisition or provision of it by the Crown which is treated as the acquisition or provision of it by the transferor, had been the acquisition or provision of it by the transferee.
- (2) For the purposes of the Corporation Tax Acts—
 - (a) the part of the Post Office's trade transferred by this Act to the Corporation (" the transferred trade ") and the part thereof retained by the Post Office (" the retained trade ") shall be treated as having been, at all times since the commencement of the Post Office's trade, separate trades carried on by the Corporation and the Post Office respectively ; and
 - (b) the trade carried on by each of those bodies after the appointed day shall be treated as the same trade as that which, by virtue of paragraph (a), it is treated as having carried on before that day.
- (3) The aggregate of the amounts for which the Corporation and the Post Office are entitled to relief under section 177(1) of the Income and Corporation Taxes Act 1970, as for losses sustained by them before the appointed day in carrying on the transferred trade and the retained trade, shall not exceed the amount which, if subsection (2) had not been enacted and the Post Office had continued to carry on both trades, would have been available to it for carrying forward against trading income from the trades in succeeding accounting periods.

- (4) Where, in the discharge of any liability which is transferred to the Corporation by this Act, the Corporation makes payments to the trustees of a retirement benefits scheme with a view to the provision of relevant benefits for persons who are employees of the Post Office, the Tax Acts shall have effect in relation to those payments—
- (a) as if those persons were employees of the Corporation ; and
 - (b) where the scheme is an exempt approved scheme, as if paragraph (a) of the proviso to section 21(3) of the Finance Act 1970 were omitted ;
- and in this subsection expressions which are also used in Chapter II of Part II of the said Act of 1970 have the same meanings as in that Chapter.
- (5) Any transfer by this Act of an interest in land from the Post Office to the Corporation, or from the Corporation to the Post Office, shall be deemed to be a disposal to which subsection (1) of section 20 of the Development Land Tax Act 1976 (groups of companies) applies.
- (6) For the purposes of section 21 of the Finance Act 1972 (value added tax: group registration) the Corporation, the Post Office and any bodies corporate resident in the United Kingdom or the Isle of Man which are subsidiaries of either of those bodies shall be eligible to be treated as members of a group until the expiration of the period of three years beginning with the appointed day; and where, by virtue of this subsection, two or more bodies are so treated, the Commissioners of Customs and Excise shall, as soon as practicable after the expiration of that period, by notice to those bodies, terminate that treatment from such date as may be specified in the notice.
- (7) Subsections (2) and (3) shall have effect in relation to accounting periods of the Corporation and of the Post Office ending on or after the appointed day.

83 Financial provisions

- (1) There shall be paid out of moneys provided by Parliament—
- (a) any administrative expenses of the Secretary of State under this Act; and
 - (b) any increase attributable to the provisions of this Act in the sums which under any other enactment are paid out of moneys so provided.
- (2) There shall be paid out of the Consolidated Fund or the National Loans Fund any increase attributable to the provisions of this Act in the sums which under any other enactment are paid out of that Fund.

84 Power of managers of certain welfare funds to preserve their scope

- (1) A fund to which this section applies is one (whether described by the addition thereto of the attribute " welfare ", " benevolent " or " mutual aid " or by the addition thereto of any other attribute) the objects of which consist in or include the provision for—
- (a) persons who are, or have been, employees of the Post Office, or for such persons of any class or description ; or
 - (b) for the relatives and dependants of any persons who are or have been so employed, or of such persons of any class or description,
- of benefits in case of need, sickness or distress, and a society or organisation to which this section applies is one (however described) the objects of which are similar; and in this section—

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" managers " in relation to a fund, society or organisation, means the trustees, committee or other persons entrusted with its management;

" relevant body " means the Corporation or any of its subsidiaries or any subsidiary of the Post Office.

(2) The provisions of the trust deed, rules, regulations or other instrument constituting or regulating a fund, society or organisation to which this section applies may, by resolution of the managers of the fund, society or organisation, be altered—

(a) so as to permit persons who are employees (past or present) of a relevant body, or persons who are members of a class of persons of that description, to become members of, or subscribers to, the fund, society or organisation;

(b) so as, in the case of persons of the said description or persons who are members of a class of persons of that description, to entitle them and persons claiming in right of them (subject to such, if any, terms and conditions as may be specified in the resolution) to receive benefits from the fund, society or organisation if, and to the extent that, they would be entitled to receive benefits therefrom if employment by a relevant body were employment by the Post Office ;

but so that no alteration be made that alters the character of the fund, society or organisation.

(3) If a resolution of the managers of a fund, society or organisation to which this section applies so provides—

(a) any reference in the trust deed, rules, regulations or other instrument constituting or regulating the fund, society or organisation to the Post Office (not being a reference in a context referring, in whatever terms, to persons employed by the Post Office or persons so employed of a specified description) shall be construed as referring (or, if the context so requires, as including a reference) to a relevant body ; and

(b) any reference in that instrument, in whatever terms, to persons so employed or persons so employed of a specified description shall be construed as referring (or, if the context so requires, as including a reference) to persons employed by a relevant body or, as the case may be, to persons so employed of a corresponding description.

(4) For the purposes of a resolution deriving validity from this section, the definition of a class of persons may be framed by reference to any circumstances whatever.

85 General interpretation

(1) In this Act—

" the 1953 Act " means the Post Office Act 1953 ;

" the 1969 Act " means the Post Office Act 1969 ;

" the appointed day " has the meaning given by section 1(2);

" the Corporation " means British Telecommunications ;

" outside persons " means persons other than the Corporation, the Post Office and wholly owned subsidiaries of either of those bodies;

" pension " includes allowance and gratuity ;

" statutory maximum ", in relation to a fine on summary conviction, means—

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- (a) in England and Wales, Northern Ireland and the Isle of Man, the prescribed sum within the meaning of section 32 of the Magistrates' Courts Act 1980 (£1,000 at the passing of this Act);
- (b) in Scotland, the prescribed sum within the meaning of section 289B of the Criminal Procedure (Scotland) Act 1975 (£1,000 at the passing of this Act);

and for the purposes of the application of this definition in Northern Ireland and the Isle of Man the provisions of the said Act of 1980 which relate to the sum mentioned in paragraph (a) shall extend to Northern Ireland and the Isle of Man ;

" statutory provision", except in relation to Northern Ireland or the Isle of Man, has the same meaning as in section 57(1) of the Harbours Act 1964, in relation to Northern Ireland, has the same meaning as in section 1(f) of the Interpretation Act (Northern Ireland) 1954 and, in relation to the Isle of Man, means an Act of Tynwald.

- (2) Any reference in this Act to a subsidiary shall be construed in accordance with section 154 of the Companies Act 1948 and any reference to a wholly owned subsidiary shall be construed in accordance with section 150(4) of that Act.
- (3) This section shall extend to the Isle of Man and the Channel Islands.

86 Application to Northern Ireland

- (1) In the application of this Act to Northern Ireland any reference—
 - (a) to an enactment comprised in Northern Ireland legislation (except a reference to Schedule 6 to the Local Government Act (Northern Ireland) 1972 or Schedule 8 to the Health and Personal Social Services (Northern Ireland) Order 1972); or
 - (b) to an enactment which the Northern Ireland Assembly has power to amend, shall, except in Schedule 3, be construed as including a reference to any enactment comprised in Northern Ireland legislation passed or made after this Act and re-enacting the said enactment with or without modification.
- (2) Regulations made by the Secretary of State under the Civil Defence Act (Northern Ireland) 1950 may apply to the Corporation such of the provisions of the Civil Defence Act (Northern Ireland) 1939 (except section 7(4) thereof) relating to public utility undertakers as may be specified in the regulations and may specify the Secretary of State as the appropriate department in relation to the Corporation for the purpose of the application of any provisions so specified to the Corporation.
- (3) There shall be excluded from the workers in relation to whom the Road Haulage Wages Council (Northern Ireland) and any wages council established under the Wages Councils Act (Northern Ireland) 1945 may operate any person employed by the Corporation on road haulage work within the meaning of paragraph 1 of the Schedule to the Road Haulage Wages Council (Northern Ireland) (Variation) Order 1952.

87 Consequential amendments

- (1) The amendments contained in Schedule 3 shall have effect, being minor amendments or amendments consequential on the foregoing provisions of this Act.

- (2) This section and Schedule 3 shall extend to the Isle of Man, so far as regards any enactment mentioned in that Schedule that so extends, and shall extend to the Channel Islands so far as regards any enactment so mentioned that so extends.

88 Transitional provisions

- (1) The general transitional provisions contained in Schedule 4, and the special transitional provisions with respect to patents for inventions and registered designs contained in Schedule 5, shall have effect.
- (2) This section and schedule 4 and 5 shall extend to the Isle of Man and this section and Schedule 4 shall extend to the Channel Islands.

89 Repeals and savings

- (1) The enactments mentioned in Part I of Schedule 6 (which includes some that are spent or no longer of practical utility) shall on the passing of this Act be repealed to the extent specified in the third column of that Schedule; and the enactments mentioned in Part II of that Schedule shall on the appointed day, be repealed to the extent specified in that column.
- (2) By reason of the repeal by this section of the Post Office Act 1961, there shall be inserted in Schedule 9 to the 1969 Act (general transitional provisions) at the end of paragraph 2 the following sub-paragraph—
- “(4) With respect to instruments and documents executed or signed before the appointed day—
- (a) every instrument or document purporting to be executed or signed by or on behalf of the Postmaster General shall be deemed to be so executed or signed unless the contrary is shown; and
- (b) a certificate signed before the appointed day by the Postmaster General that any instrument or document purporting to be executed or signed on his behalf was so executed or signed shall be conclusive evidence of that fact.”
- (3) Notwithstanding the repeal by this section of the said Act of 1961, the Exchequer and Audit Departments Act 1866 and the Exchequer and Audit Departments Act 1921 shall continue to have effect with the amendments made by Schedule 1 to the said Act of 1961.
- (4) The repeal by this section of section 2 of the Post Office (Data Processing Service) Act 1967 and section 65 of the 1969 Act shall not affect the operation of those sections in relation to information obtained before the appointed day.
- (5) This section and Schedule 6 shall extend to the Isle of Man so far as regards any enactment mentioned in that Schedule that so extends (other than an enactment contained in the Telegraph Act 1863), and shall extend to the Channel Islands so far as regards any enactment so mentioned that so extends.

90 Short title and extent

- (1) This Act may be cited as the British Telecommunications Act 1981.
- (2) This Act extends to Northern Ireland.