



Export and Investment Guarantees Act 1991

1991 CHAPTER 67

PART I

POWERS OF ECGD

1 Assistance in connection with exports of goods and services

- (1) The Secretary of State may make arrangements under this section with a view to facilitating, directly or indirectly, supplies by persons carrying on business in the United Kingdom of goods or services to persons carrying on business outside the United Kingdom.
- (2) The Secretary of State may make arrangements under this section for the purpose of rendering economic assistance to countries outside the United Kingdom.
- (3) The Secretary of State may make arrangements under this section with a view to facilitating—
 - (a) the performance of obligations created or arising, directly or indirectly, in connection with matters as to which he has exercised his powers under this section or section 2 of this Act, or
 - (b) the reduction or avoidance of losses arising in connection with any failure to perform such obligations.
- (4) The arrangements that may be made under this section are arrangements for providing financial facilities or assistance for, or for the benefit of, persons carrying on business; and the facilities or assistance may be provided in any form, including guarantees, insurance, grants or loans.

2 Insurance in connection with overseas investment

- (1) The Secretary of State may make arrangements for insuring any person carrying on business in the United Kingdom against risks of losses arising—

- (a) in connection with any investment of resources by the insured in enterprises carried on outside the United Kingdom, or
- (b) in connection with guarantees given by the insured in respect of any investment of resources by others in such enterprises, being enterprises in which the insured has any interest,

being losses resulting directly or indirectly from war, expropriation, restrictions on remittances and other similar events.

- (2) The Secretary of State may make arrangements for insuring persons providing such insurance.
- (3) References in subsection (1) above to a person carrying on business in the United Kingdom and to the insured include any company controlled directly or indirectly by him.

3 Financial management

- (1) The Secretary of State may make any arrangements which, in his opinion, are in the interests of the proper financial management of the ECGD portfolio, or any part of it.
- (2) In pursuance of arrangements under this section the Secretary of State may enter into any form of transaction, including—
 - (a) lending, and
 - (b) providing and taking out insurance and guarantees.
- (3) The Secretary of State may not, in pursuance of such arrangements, enter into any transaction for the purpose of borrowing money but, subject to that, he is not precluded from entering into any transaction by reason of its involving borrowing.
- (4) In pursuance of such arrangements the Secretary of State may—
 - (a) alter any arrangements made under section 1 or 2 of this Act or the old law or make new arrangements in place of arrangements so made, or
 - (b) make further arrangements in connection with arrangements so made.
- (5) Arrangements under this section may be made in anticipation of further rights being acquired or liabilities being incurred by the Secretary of State.
- (6) In this section the “ECGD portfolio” means the rights and liabilities to which the Secretary of State is entitled or subject by virtue of the exercise of his powers under this Act or the old law or in consequence of arrangements made in the exercise of those powers.
- (7) The Secretary of State may certify that any transaction he has entered into or is entering into has been or, as the case may be, is entered into in the exercise of the powers conferred by this section and such a certificate shall be conclusive evidence of the matters stated in it.

4 Provisions supplementary to sections 1 to 3

- (1) Transactions entered into in pursuance of arrangements made under sections 1 to 3 of this Act may be on such terms and conditions as the Secretary of State considers appropriate.

- (2) The powers of the Secretary of State under those sections are exercisable only with the consent of the Treasury and such consent may be given in relation to particular cases or in relation to such descriptions of cases as may be specified in the consent.
- (3) In those sections—
 - (a) “business” includes a profession,
 - (b) “guarantee” includes indemnity,
 - (c) references to persons carrying on business, in relation to things done outside the United Kingdom, include persons carrying on any other activities, and
 - (d) references to things done in or outside the United Kingdom are to things done wholly or partly in or, as the case may be, outside the United Kingdom.
- (4) References in this and those sections to the United Kingdom include the Isle of Man and the Channel Islands.

5 Provision of services and information

- (1) The Secretary of State may provide to any person—
 - (a) information relating to credit or investment insurance,
 - (b) services ancillary to the provision by that person of credit or investment insurance, and
 - (c) such other goods or services as may be specified in an order under this section, and may make such charges for doing so as he may determine.
- (2) The power to make an order under this section is exercisable only with the consent of the Treasury.

6 Commitment limits

- (1) The aggregate amount of the Secretary of State’s commitments at any time under arrangements relating to exports and insurance shall not exceed—
 - (a) in the case of commitments in sterling, £35,000 million, and
 - (b) in the case of commitments in foreign currency, 15,000 million special drawing rights.
- (2) In subsection (1) above, “arrangements relating to exports and insurance” means—
 - (a) arrangements under section 1 or 2 of this Act, other than arrangements for giving grants or arrangements under section 1(3), and
 - (b) arrangements under the old law, other than arrangements for giving grants.
- (3) The aggregate amount of the Secretary of State’s commitments at any time under section 3 of this Act shall not exceed—
 - (a) in the case of commitments in sterling, £15,000 million, and
 - (b) in the case of commitments in foreign currency, 10,000 million special drawing rights.
- (4) The Secretary of State may by order increase or further increase—
 - (a) either of the limits in subsection (1) above by a sum specified in the order not exceeding £5,000 million or, as the case may be, 5,000 million special drawing rights,

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

- (b) either of the limits in subsection (3) above by a sum specified in the order not exceeding £3,000 million or, as the case may be, 2,000 million special drawing rights,

but the Secretary of State shall not in respect of any limit exercise the power on more than three occasions.

- (5) For the purposes of this section and section 7 of this Act—
 - (a) the commitments of the Secretary of State under any arrangements are his rights and liabilities relating to the arrangements,
 - (b) the amount of any commitments shall be ascertained in accordance with principles determined from time to time by the Secretary of State with the consent of the Treasury,
 - (c) “foreign currency” means any currency other than sterling, including special drawing rights and any other units of account defined by reference to more than one currency,
 - (d) whether any commitments are in sterling or foreign currency is to be determined by reference to the currency in which the amount of the commitments is measured (rather than the currency of payment) but, if the commitments are expressed to be subject to a sterling or foreign currency limit, the commitments are to be taken to be in sterling or, as the case may be, foreign currency, and
 - (e) the equivalent in special drawing rights of the amount of any commitments in foreign currency shall be ascertained at intervals determined from time to time by the Secretary of State with the consent of the Treasury and in accordance with principles so determined.
- (6) A determination under subsection (5)(e) above may provide for leaving out of account for the purposes of the limit in subsection (1)(b) or (3)(b) above any amount by which the limit would otherwise be exceeded to the extent that the amount is attributable to—
 - (a) a revaluation of commitments under subsection (5)(e) above, or
 - (b) the fulfillment of an undertaking which, had it been fulfilled when given, would not have caused the limit to be exceeded.
- (7) Any power to make an order under this section is exercisable only with the consent of the Treasury.

7 Reports and returns

- (1) The Secretary of State shall prepare an annual report on the discharge of his functions under sections 1 to 5 of this Act.
- (2) The Secretary of State shall prepare, as soon as practicable after 31st March in each year, a return showing separately the aggregate amounts of the commitments in sterling and in foreign currency on that date for the purposes of the limits in section 6(1) and (3) of this Act.
- (3) Any return under this section may also give such further information as to the amounts of his commitments for the purposes of those limits as the Secretary of State may determine for that return.
- (4) The first return under this section shall be prepared as soon as practicable after 31st March 1991.

(5) Reports and returns prepared under this section shall be laid before Parliament.