



# Dormant Assets Act 2022

## 2022 CHAPTER 5

### PART 2

#### OTHER PROVISIONS

##### *Distribution of dormant assets money*

#### **29 Distribution of dormant assets money for meeting English expenditure**

- (1) After section 18 of the 2008 Act (distribution of money for meeting English expenditure) insert—

##### **“18A Distribution of money for meeting English expenditure**

- (1) The Secretary of State may by order—
- (a) make provision restricting the purposes for which, or the kinds of person to which, a distribution of dormant assets money for meeting English expenditure may be made, or
  - (b) provide that no specific restrictions are to have effect under paragraph (a) in relation to such a distribution.
- (2) An order under this section may make transitional or saving provision in connection with provision made under subsection (1)(a) or (b).
- (3) Before making an order under this section the Secretary of State must—
- (a) carry out a public consultation about the purposes for which, or the kinds of person to which, the money apportioned under section 17 for meeting English expenditure should be distributed, and
  - (b) consult the Big Lottery Fund about a draft of the order.
- (4) In carrying out the first public consultation under subsection (3)(a) the Secretary of State must invite views as to whether the permitted distributions should be, or include, any one or more of the following—

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- (a) distributions for the purpose of the provision of services, facilities or opportunities to meet the needs of young people;
  - (b) distributions for the purpose of the development of individuals' ability to manage their finances or the improvement of access to personal financial services;
  - (c) distributions to social investment wholesalers (within the meaning of section 18);
  - (d) distributions to community wealth funds.
- (5) For the purposes of subsection (4) “community wealth fund” means a fund which gives long term financial support (whether directly or indirectly) for the provision of local amenities or other social infrastructure.
- (6) An order under this section may not be made unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, both Houses of Parliament.”
- (2) At the time specified in subsection (3)—
- (a) section 18 of that Act is repealed;
  - (b) in section 22(6)(b) of that Act (directions) omit “section 18 or” and after “under section” insert “18A,”.
- (3) Subsection (2) takes effect when—
- (a) any restriction imposed under section 18A(1)(a) of that Act comes into force, or
  - (b) the provision mentioned in section 18A(1)(b) of that Act comes into force, whichever occurs first.
- (4) The power to make transitional or saving provision under section 18A(2) of that Act includes power to make such provision in connection with the provision made by subsection (2).

### **30 Periodic review and report to Parliament**

- (1) The Secretary of State must carry out periodic reviews of the following matters—
- (a) the operation of the dormant assets scheme and the alternative scheme under section 2 of the 2008 Act during the period to which the review relates;
  - (b) the effectiveness of the steps taken during that period (by institutions holding or providing assets within the scope of the dormant assets scheme or the alternative scheme) to reunite assets with their owners;
  - (c) any use made of the powers conferred by section 19 during that period;
  - (d) any use that may be made of those powers after that period.
- (2) In reviewing the matters described in subsection (1)(a) the Secretary of State must consider—
- (a) how many institutions have made transfers;
  - (b) how much money has been transferred;
  - (c) the effectiveness of the arrangements made with institutions for meeting repayment claims.

- (3) The steps referred to in subsection (1)(b) include anything done with a view to tracing, and verifying the identity of, either (or both) of the following, in relation to a particular asset—
- (a) the person whose right to payment (or right to direct payment) is or would be extinguished by a transfer;
  - (b) where the asset is the proceeds of another asset, the owner or beneficiary of that other asset (before its conversion into proceeds).
- (4) In subsections (2) and (3)—
- “transfer” means a transfer of an amount to an authorised reclaim fund as mentioned in section 1(1)(a) or 2(1)(a) of the 2008 Act or section 2(1)(a), 5(1)(a), 8(1)(a), 12(1)(a) or 14(1)(a) above;
- “repayment claim” means a claim against an authorised reclaim fund relating to a right to payment arising as mentioned in section 1(2)(b) or 2(2)(b) of the 2008 Act or section 2(2)(b), 5(2)(b) or (3)(b), 8(2)(b), 12(2)(b) or 14(2)(b) above.
- (5) The matters within the scope of a review do not include the regulation by the Financial Conduct Authority of an authorised reclaim fund or any other institution.
- (6) The Secretary of State must—
- (a) make arrangements to enable anyone with an interest in any aspect of a review to make representations,
  - (b) consider all representations received, and
  - (c) set out the results and conclusions of the review in a report and lay it before Parliament.
- (7) The report of a review must also include—
- (a) information about the uses made by any authorised reclaim fund of its financial resources during such period as the Secretary of State considers appropriate,
  - (b) information about the uses made of dormant assets money for meeting English expenditure during such period as the Secretary of State considers appropriate,
  - (c) the text of any directions given by the Secretary of State under section 22 of the 2008 Act which have effect during the period mentioned in paragraph (b), and
  - (d) information about any policy and practice in relation to the additionality principle of—
    - (i) the body or bodies specified in section 16(1) of the 2008 Act, and
    - (ii) the Secretary of State, in exercising functions under Part 2 of that Act.
- (8) The report of a review may include information about the uses made of dormant assets money for meeting Welsh expenditure, Scottish expenditure or Northern Ireland expenditure during such period as the Secretary of State considers appropriate.
- (9) In this section—
- (a) “the additionality principle” is the principle that dormant assets money should be used to fund projects, or aspects of projects, for which funds would be unlikely to be made available by a government department, the Welsh Ministers, the Scottish Ministers or a Northern Ireland department;

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- (b) “dormant assets money”, “English expenditure”, “Northern Ireland expenditure”, “Scottish expenditure” and “Welsh expenditure” have the same meaning as in Part 2 of the 2008 Act.
- (10) The first report under this section must be laid no more than 3 years after the day on which this Act is passed.
- (11) Any subsequent report must be laid no more than 5 years after the day on which the previous report was laid.