



Compensation (Defence) Act 1939

1939 CHAPTER 75 2 and 3 Geo 6

Right to, and measure of, compensation

6 Compensation in respect of requisition or acquisition of goods other than vessels, vehicles and aircraft.

- (1) Subject to the provisions of the next following subsection, the compensation payable under this Act in respect of the requisition or acquisition of any goods shall be a sum equal to the price which the person who, immediately before the requisition or acquisition, was the owner of the goods might reasonably have been expected to obtain upon a sale of the goods then effected by him, regard being had to the condition of the goods at the time and no account being taken of any appreciation in the value of the goods due to the emergency.
- (2) Any compensation under the preceding subsection shall not—
 - (a) in a case where the owner of the goods immediately before the requisition or acquisition, was a person who had produced the goods with a view to the sale thereof, exceed the aggregate of—
 - (i) the cost reasonably incurred by that person in producing the goods, and
 - (ii) the profit which he might reasonably have been expected to make on a sale of the goods effected by him immediately before the requisition or acquisition, or
 - (b) in a case where the owner of the goods, immediately before the requisition or acquisition, was some person other than the producer of the goods, and the goods had been bought by that person with a view to the sale thereof, exceed the aggregate of—
 - (i) the price which it was reasonable for him to pay for the goods when they were so bought by him, and
 - (ii) the profit which he might reasonably have been expected to make on a sale of the goods effected by him immediately before the requisition or acquisition;

and, in assessing such compensation in any other case, no account shall be taken of any profit which might be expected to be made on a sale of the goods:

Changes to legislation: There are currently no known outstanding effects for the Compensation (Defence) Act 1939, Section 6. (See end of Document for details)

Provided that if, at the time when any goods are requisitioned or acquired on behalf of His Majesty in the exercise of emergency powers, the price or maximum price at which such goods may be sold is fixed by law, this subsection shall not be taken to authorise the assessment, by way of compensation under the preceding subsection in respect of the requisition or acquisition, a sum exceeding that price or maximum price, as the case may be.

In the preceding provisions of this subsection the reference to a person who had produced the goods with a view to the sale thereof, and the reference to the producer of the goods, shall be construed as including a reference to his personal representative or any person carrying on business in succession to him by virtue of any assignment or transmission by operation of law.

- (3) The compensation payable under this Act in respect of the requisition or acquisition of any goods shall include a sum equal to the amount of any expenses reasonably incurred, otherwise than on behalf of His Majesty, for the purpose of compliance with any directions given on behalf of His Majesty in connection with the requisition or acquisition.
- (4) Any compensation under subsection (1) of this section shall accrue due at the time of the requisition or acquisition of the goods, and shall, subject to the following provisions of this Act, be paid to the person who is then the owner of the goods.
- (5) Any compensation under subsection (3) of this section shall accrue due at the time when the expenses in respect of which the compensation is payable are incurred and shall be paid to the person by whom or on whose behalf those expenses were incurred.

Modifications etc. (not altering text)

C1 S. 6 amended by [Emergency Laws \(Transitional Provisions\) Act 1946 \(c. 26\), s. 16](#)

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