



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XIII

MISCELLANEOUS SPECIAL PROVISIONS

CHAPTER VI

OTHER PROVISIONS

Modifications etc. (not altering text)

- C1** Pt 13 Ch. 6: ss. 573, 575 and 576 transposed to Pt. 13 Ch. 5A (6.4.2007 with effect in accordance with s. 1034(1) of the affecting Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 paras. 117\(3\), 119\(7\), 120\(7\)](#) (with [Sch. 2](#))

Relief for losses on unquoted shares in trading companies

574 Relief for individuals.

F1

Textual Amendments

- F1** [S. 574](#) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 118](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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Miscellaneous

577 Business entertaining expenses.

F2

Textual Amendments

F2 S. 577 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 191, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F3}**577A Expenditure involving crime.**

F4]

Textual Amendments

F3 S. 577A inserted (with application in accordance with s. 123(2) of the amending Act) by Finance Act 1993 (c. 34), s. 123(1)(2)

F4 S. 577A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 192, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

578 Housing grants.

F5

Textual Amendments

F5 S. 578 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 193, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F6}**578A Expenditure on car hire**

F7

Textual Amendments

F6 Ss. 578A, 578B inserted (with effect in accordance with s. 579 of the amending Act) by Capital Allowances Act 2001 (c. 2), **Sch. 2 para. 52** (with Sch. 3 para. 113)

F7 Ss. 578A, 578B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 194, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

578B Expenditure on car hire: supplementary

F8

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Textual Amendments

- F6** Ss. 578A, 578B inserted (with effect in accordance with s. 579 of the amending Act) by [Capital Allowances Act 2001 \(c. 2\)](#), [Sch. 2 para. 52](#) (with [Sch. 3 para. 113](#))
- F8** Ss. 578A, 578B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 194](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

579 Statutory redundancy payments.

F9

Textual Amendments

- F9** Ss. 579, 580 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 195](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

580 Provisions supplementary to section 579.

F10

Textual Amendments

- F10** Ss. 579, 580 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 195](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F11}580A Relief from tax on annual payments under certain insurance policies.

F12

Textual Amendments

- F11** Ss. 580A, 580B inserted (with effect in accordance with s. 143(2)-(5) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [s. 143\(1\)](#)
- F12** Ss. 580A-580C repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 240](#), [Sch. 3](#) (with [Sch. 2](#))

580B Meaning of “self-contained” for the purposes of s.580A.

F13]

Textual Amendments

- F11** Ss. 580A, 580B inserted (with effect in accordance with s. 143(2)-(5) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [s. 143\(1\)](#)
- F13** Ss. 580A-580C repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 240](#), [Sch. 3](#) (with [Sch. 2](#))

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[^{F14}580C Relief from tax on annual payments under immediate needs annuities

^{F15}

Textual Amendments

F14 S. 580C inserted (with effect in accordance with s. 147(6) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [s. 147\(3\)](#)

F15 Ss. 580A-580C repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 240](#), [Sch. 3](#) (with [Sch. 2](#))

581 Borrowing in foreign currency by local authorities and statutory corporations.

^{F16}

Textual Amendments

F16 S. 581 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 241](#), [Sch. 3](#) (with [Sch. 2](#))

[^{F17}581A Interest on foreign currency securities etc.

^{F18}

Textual Amendments

F17 S. 581A inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 242](#) (with [Sch. 2](#))

F18 S. 581A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 133](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

582 Funding bonds issued in respect of interest on certain debts.

^{F19}

Textual Amendments

F19 S. 582 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 196](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F20}582A Designated international organisations: miscellaneous exemptions.

^{F21}

Textual Amendments

F20 S. 582A inserted by [Finance Act 1991 \(c. 31\)](#), [SIF 63:1](#), [s. 118\(1\)](#)

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F21 S. 582A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 135, **Sch. 3 Pt. 1** (with Sch. 2)

583 Inter-American Development Bank.

F22

Textual Amendments

F22 S. 583 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 244, **Sch. 3** (with Sch. 2)

584 Relief for unremittable overseas income

F23

Textual Amendments

F23 S. 584 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 197, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

585 Relief from tax on delayed remittances.

F24

Textual Amendments

F24 S. 585 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 246, **Sch. 3** (with Sch. 2)

586 Disallowance of deductions for war risk premiums.

F25

Textual Amendments

F25 Ss. 586, 587 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 198, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

587 Disallowance of certain payments in respect of war injuries to employees.

F26

Textual Amendments

F26 Ss. 586, 587 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 198, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

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[^{F27}587A New issues of securities: extra return.

^{F28}

Textual Amendments

F27 S. 587A inserted by Finance Act 1991 (c. 31, SIF 63:1), s. 54, **Sch. 12 para. 1** (with application as referred to in Sch. 12 para. 5 of that Act)

F28 S. 587A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 136, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F30}587B [^{F29}Gifts of shares, securities and real property to charities etc]

(1) [^{F31}Subsection (2) below applies] where, otherwise than by way of a bargain made at arm's length, [^{F32}a company which is not itself a charity] disposes of the whole of the beneficial interest in a qualifying investment to a charity.

(2) On a claim made in that behalf to an officer of the Board—

(a) the relevant amount shall be allowed—

(i) ^{F33}

(ii) ^{F34} . . . as a charge on income for the purposes of corporation tax for the accounting period in which the disposal is made; and

(b) no relief in respect of the disposal shall be given under [^{F35}section 105 of CTA 2009 (gifts of trading stock to charities etc),]^{F36} . . . ;

^{F37}

(3) ^{F38}

[^{F39}(4) Subject to subsections (5) to (7) below, the relevant amount is an amount equal to—

(a) where the disposal is a gift, the value of the net benefit to the charity at, or immediately after, the time when the disposal is made (whichever time gives the lower value);

(b) where the disposal is at an undervalue, the amount by which—

(i) the value described in paragraph (a) above, exceeds

(ii) the amount or value of the consideration for the disposal,

or, if there is no such excess, nil.]

(5) Where there are one or more benefits received in consequence of making the disposal which are received by [^{F40}the company] making the disposal or a person connected with [^{F41}it], the relevant amount shall be reduced by the value of that benefit or, as the case may be, the aggregate value of those benefits; and section 839 applies for the purposes of this subsection.

(6) Where the disposal is a gift, the relevant amount shall be increased by the amount of the incidental costs of making the disposal to the [^{F42}company] making it.

(7) Where the disposal is at an undervalue—

(a) to the extent that the consideration for the disposal is less than that for which the disposal is treated as made by virtue of section 257(2)(a) of the 1992 Act, the relevant amount shall be increased by the amount of the incidental costs of making the disposal to the [^{F43}company] making it; and

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(b) section 48 of that Act (consideration due after time of disposal) shall apply in relation to the computation of the relevant amount as it applies in relation to the computation of a gain.

(8) ^{F44}

[The value of the net benefit to the charity is—

^{F45}(8A) (a) the market value of the qualifying investment, unless subsection (8B) below applies;
(b) where that subsection applies, that market value reduced by the aggregate amount of the related liabilities of the charity (see subsections (8E) to (8G)).

(8B) This subsection applies in any case where—

(a) the charity is, or becomes, subject to an obligation to any person (whether or not [^{F46}the company] making the disposal or a person connected with [^{F47}it]), and
(b) one or more of the conditions in subsection (8C) below is satisfied.

(8C) For the purposes of subsection (8B) above—

(a) condition 1 is that, taking into account all the circumstances (including, in particular, the difference in the value of the net benefit to the charity if subsection (8B) applies and if it does not), it is reasonable to suppose that the disposal of the qualifying investment to the charity would not have been made in the absence of the obligation;
(b) condition 2 is that the obligation (whether in whole or in part) relates to, is framed by reference to, or is conditional on the charity receiving, the qualifying investment or a related investment (see subsection (8D)).

(8D) In subsection (8C) above “related investment” means any of the following—

(a) any asset of the same class or description as the qualifying investment (irrespective of size, quantity or amount);
(b) any asset derived from, or representing, the qualifying investment whether in whole or in part and whether directly or indirectly;
(c) any asset from which the qualifying investment is derived, or which the qualifying investment represents, whether in whole or in part and whether directly or indirectly.

(8E) For the purposes of this section, the liabilities which are related liabilities in the case of any qualifying investment are the liabilities of the charity under each of the obligations that fall within subsection (8B) above (as read with subsection (8C) above) in relation to that investment.

(8F) Where an obligation is contingent and the contingency occurs, the amount to be brought into account for the purposes of this section at any time in respect of the liability, so far as contingent, under the obligation is the amount or value of the liability actually incurred in consequence of the occurrence of the contingency.

(8G) Where an obligation is contingent and the contingency does not occur, the amount to be brought into account for the purposes of this section at any time in respect of the liability, so far as contingent, is nil.]

(9) In this section—

[^{F48}“authorised unit trust” has the meaning given by section 468;]
“charity” has the same meaning as in section 506 and includes

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- (a) [^{F49}the Trustees of the National Heritage Memorial Fund;
- (b) the Historic Buildings and Monuments Commission for England; and
- (c) the National Endowment for Science, Technology and the Arts;]

“the incidental costs of making the disposal to the [^{F50}company] making it” shall be construed in accordance with section 38(2) of the 1992 Act;

^{F51}

[^{F52}“obligation” includes a reference to each of the following—

- (a) any scheme, arrangement or understanding of any kind, whether or not legally enforceable;
- (b) a series of obligations (whether or not between the same parties);]

[^{F53}“offshore fund” has the same meaning as in Chapter 5 of Part 17;]

[^{F54}“open-ended investment company” is to be read in accordance with section 468A(2) to (4);]

“qualifying investment” means any of the following—

- (a) shares or securities which are listed [^{F55}on a recognised stock exchange or dealt in on any designated market in the United Kingdom];
- (b) units in an authorised unit trust;
- (c) shares in an open-ended investment company;^{F56} . . .
- (d) an interest in an offshore fund[^{F57}; and
- (e) a qualifying interest in land];

[^{F58}“related liabilities” shall be construed in accordance with subsection (8E) above;]

[^{F59}“value of the net benefit to the charity” shall be construed in accordance with subsection (8A) above.]

[In paragraph (a) of the definition of “qualifying investment” in subsection (9) above,
^{F60}(9ZA) “designated” means designated by an order made by the Commissioners for Her Majesty's Revenue and Customs for the purposes of that paragraph.

(9ZB) An order under subsection (9ZA) above may—

- (a) designate a market by name or by reference to any class or description of market, and
- (b) vary or revoke a previous order under that subsection.]

[In this section a “qualifying interest in land” means—

- ^{F61}(9A) (a) a freehold interest in land, or
 (b) a leasehold interest in land which is a term of years absolute,
 where the land in question is in the United Kingdom.

This subsection is subject to subsections (9B) to (9D) below.

(9B) Where a [^{F62}company] makes a disposal to a charity of—

- (a) the whole of [^{F63}its] beneficial interest in such freehold or leasehold interest in land as is described in subsection (9A)(a) or (b) above, and
- (b) any easement, servitude, right or privilege so far as benefiting that land,

the disposal falling within paragraph (b) above is to be regarded for the purposes of this section as a disposal by the [^{F62}company] of the whole of [^{F63}its] beneficial interest in a qualifying interest in land.

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(9C) Where [^{F64}a company which] has a freehold or leasehold interest in land in the United Kingdom grants a lease for a term of years absolute (or, in the case of land in Scotland, grants a lease) to a charity of the whole or part of that land, the grant of that lease is to be regarded for the purposes of this section as a disposal by [^{F65}the company] of the whole of the beneficial interest in the leasehold interest so granted.

(9D) For the purposes of subsection (9A) above, an agreement to acquire a freehold interest and an agreement for a lease are not qualifying interests in land.

(9E) In the application of this section to Scotland—

- (a) references to a freehold interest in land are references to the interest of the owner,
- (b) references to a leasehold interest in land which is a term of years absolute are references to a tenant's right over or interest in a property subject to a lease, and
- (c) references to an agreement for a lease do not include references to missives of let that constitute an actual lease.]

(10) Subject to subsection (11) below, the market value of any qualifying investment shall be determined for the purposes of this section as for the purposes of the 1992 Act.

[Section 839 (connected persons) applies for the purposes of this section.]

^{F66}(10A)

(11) In the case of an interest in an offshore fund for which there are separate published buying and selling prices, section 272(5) of the 1992 Act (meaning of “market value” in relation to rights of unit holders in a unit trust scheme) shall apply with any necessary modifications for determining the market value of the interest for the purposes of this section.

[This section is supplemented by [^{F68}sections 587BA and 587C] below.]]

^{F67}(12)

Textual Amendments

- F29** S. 587B sidenote substituted (with effect in accordance with s. 97(6) of the amending Act) by [Finance Act 2002 \(c. 23\), s. 97\(4\)](#)
- F30** S. 587B inserted (with effect in accordance with s. 43(3) of the amending Act) by [Finance Act 2000 \(c. 17\), s. 43\(1\)](#)
- F31** Words in s. 587B(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 137\(2\)\(a\)](#) (with Sch. 2)
- F32** Words in s. 587B(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 137\(2\)\(b\)](#) (with Sch. 2)
- F33** S. 587B(2)(a)(i) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 137\(3\)\(a\), Sch. 3 Pt. 1](#) (with Sch. 2)
- F34** Words in s. 587B(2)(a)(ii) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 137\(3\)\(b\), Sch. 3 Pt. 1](#) (with Sch. 2)
- F35** Words in s. 587B(2)(b) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 199](#) (with Sch. 2 Pts. 1, 2)
- F36** Words in s. 587B(2)(b) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 137\(3\)\(c\), Sch. 3 Pt. 1](#) (with Sch. 2)
- F37** Words in s. 587B(2) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 137\(3\)\(d\), Sch. 3 Pt. 1](#) (with Sch. 2)

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- F38** S. 587B(3) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 137(4), **Sch. 3 Pt. 1** (with Sch. 2)
- F39** S. 587B(4) substituted (with effect in accordance with s. 139(6) of the amending Act) by Finance Act 2004 (c. 12), **s. 139(2)**
- F40** Words in s. 587B(5) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 137(5)(a)** (with Sch. 2)
- F41** Word in s. 587B(5) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 137(5)(b)** (with Sch. 2)
- F42** Word in s. 587B(6) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 137(6)** (with Sch. 2)
- F43** Word in s. 587B(7)(a) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 137(7)** (with Sch. 2)
- F44** S. 587B(8) repealed (19.7.2007) by Finance Act 2007 (c. 11), Sch. 10 para. 16(3)(f), **Sch. 27 Pt. 2(10)**, Note
- F45** S. 587B(8A)-(8G) inserted (with effect in accordance with s. 139(6) of the amending Act) by Finance Act 2004 (c. 12), **s. 139(3)**
- F46** Words in s. 587B(8B)(a) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 137(9)(a)** (with Sch. 2)
- F47** Word in s. 587B(8B)(a) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 137(9)(b)** (with Sch. 2)
- F48** S. 587B(9): definition of "authorised unit trust" substituted for definition of "authorised unit trust" and "open-ended investment company" (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 137(10)(a)** (with Sch. 2)
- F49** S. 587B(9): words in definition of "charity" substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 137(10)(b)** (with Sch. 2)
- F50** S. 587B(9): word in definition of "the incidental costs of making the disposal to the person making it" substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 137(10)(c)** (with Sch. 2)
- F51** S. 587B(9): definition of "life assurance business" repealed (with effect in accordance with Sch. 10 para. 17(2) of the repealing Act) by virtue of Finance Act 2007 (c. 11), Sch. 10 para. 14(2)(c), **Sch. 27 Pt. 2(10)**, Note
- F52** S. 587B(9): definition of "obligation" inserted (with effect in accordance with s. 139(6) of the amending Act) by Finance Act 2004 (c. 12), **s. 139(4)**
- F53** S. 587B(9): definition of "offshore fund" substituted (with effect in accordance with s. 145(2) of the amending Act) by Finance Act 2004 (c. 12), **Sch. 26 para. 10** (with Sch. 26 para. 17)
- F54** S. 587B(9): definition of "open-ended investment company" inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 137(10)(d)** (with Sch. 2)
- F55** S. 587B(9): words in definition of "qualifying investment" substituted (19.7.2007) by Finance Act 2007 (c. 11), **Sch. 26 para. 7(6)(a)**
- F56** S. 587B(9): word in definition of "qualifying investment" repealed (with effect in accordance with s. 97(6) of the repealing Act) by Finance Act 2002 (c. 23), s. 97(1), **Sch. 40 Pt. 3(15)**, Note
- F57** S. 587B(9): in definition of "qualifying investment", para. (e) and preceding word inserted (with effect in accordance with s. 97(6) of the amending Act) by Finance Act 2002 (c. 23), **s. 97(1)**
- F58** S. 587B(9): definition of "related liabilities" inserted (with effect in accordance with s. 139(6) of the amending Act) by Finance Act 2004 (c. 12), **s. 139(4)**
- F59** S. 587B(9): definition of "value of the net benefit to the charity" inserted (with effect in accordance with s. 139(6) of the amending Act) by Finance Act 2004 (c. 12), **s. 139(4)**
- F60** S. 587B(9ZA)(9ZB) inserted (19.7.2007) by Finance Act 2007 (c. 11), **Sch. 26 para. 7(6)(b)**
- F61** S. 587B(9A)-(9E) inserted (with effect in accordance with s. 97(6) of the amending Act) by Finance Act 2002 (c. 23), **s. 97(2)**
- F62** Words in s. 587B(9B) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 137(11)(a)** (with Sch. 2)

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- F63** Words in s. 587B(9B) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 137(11)(b)** (with Sch. 2)
- F64** Words in s. 587B(9C) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 137(12)(a)** (with Sch. 2)
- F65** Words in s. 587B(9C) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 137(12)(b)** (with Sch. 2)
- F66** S. 587B(10A) inserted (with effect in accordance with s. 139(6) of the amending Act) by **Finance Act 2004 (c. 12), s. 139(5)**
- F67** S. 587B(12) inserted (with effect in accordance with s. 97(6) of the amending Act) by **Finance Act 2002 (c. 23), s. 97(3)**
- F68** Words in s. 587B(12) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 137(13)** (with Sch. 2)

Modifications etc. (not altering text)

- C2** S. 587B modified (with effect in accordance with reg. 30AA(3) of the modifying reg.) by the **Friendly Societies (Modification of the Corporation Tax Acts) Regulations 1997 (S.I. 1997/473), reg. 30AA(1)(2)** (as inserted (25.10.2000) by **The Friendly Societies (Modification of the Corporation Tax Acts) (Amendment) Regulations 2000 (S.I. 2000/2710), regs. 1, 5**)
- C3** S. 587B modified (12.8.2005 with effect in accordance with reg. 1(2) of the modifying S.I.) by **The Friendly Societies (Modification of the Corporation Tax Acts) Regulations 2005 (S.I. 2005/2014), regs. 1(1), 21**; and that modifying reg. 21 is omitted (14.8.2007 with effect in accordance with reg. 1(2) of the revoking S.I.) by virtue of **S.I. 2007/2134, regs. 1(1), 20**
- C4** S. 587B(9E)(a) modified (temp.) (with effect in accordance with s. 97(6) of the modifying Act) by **Finance Act 2002 (c. 23), s. 97(7)(8)**

[^{F69}587B] Qualifying interests in land held jointly

- (1) This section applies for the purposes of section 587B where a qualifying investment is a qualifying interest in land.
- (2) Where two or more persons (“the owners”)—
 - (a) are jointly beneficially entitled to the qualifying interest in land, or
 - (b) are, taken together, beneficially entitled in common to the qualifying interest in land,relief under section 587B is available if at least one of the owners is a qualifying company and all the owners dispose of the whole of their beneficial interests in the qualifying interest in land to the charity.
- (3) Subsection (4) applies if one or more of the owners is not a company.
- (4) For the purpose of determining whether the owners' beneficial interests are disposed of as mentioned in subsection (2), section 587B(9B) and (9C) applies as if references to a company included a reference to a person who is not a company.
- (5) Relief under section 587B is available to each of the owners which is a qualifying company.
- (6) If one or more of the owners is an individual—
 - (a) the relevant amount is taken to be the relievable amount calculated for the purposes of Chapter 3 of Part 8 of ITA 2007, and
 - (b) the amount of relief under section 587B to be given to a qualifying company is such share of the relievable amount as is allocated to the company by the agreement mentioned in section 442(5) of ITA 2007.

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- (7) Subsections (8) to (12) apply if none of the owners is an individual.
- (8) The amount of relief under section 587B to be given to a qualifying company is such share of the relevant amount as is allocated to the company by an agreement made between those owners which are qualifying companies.
- (9) Calculate the relevant amount as if—
- (a) the owners were a single qualifying company, and
 - (b) the disposals of the owners' beneficial interests were a single disposal by that single company of the whole of the beneficial interest in the qualifying interest in land.
- (10) In particular, for the purposes of section 587B(7) calculate the consideration for which the disposal is made by virtue of section 257(2)(a) of the 1992 Act by—
- (a) calculating, for each owner, the consideration for which the disposal of the owner's beneficial interest is so made, and
 - (b) adding together all the consideration calculated under paragraph (a).
- (11) If one or more of the owners is not a qualifying company, in calculating the relevant amount make just and reasonable adjustments to reduce the relevant amount to reflect the fact that relief under section 587B is not available to that owner or to those owners.
- (12) ^{F70}
- (13) A company is a qualifying company if—
- (a) it is not itself a charity, ^{F71} . . .
 - (b) ^{F71}

Textual Amendments

F69 S. 587BA inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 138](#) (with Sch. 2)

F70 S. 587BA(12) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 2\(10\)](#), Note

F71 S. 587BA(13)(b) and preceding word repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 2\(10\)](#), Note

^{F72}587C Supplementary provision for gifts of real property

- (1) This section applies for the purposes of section 587B where a qualifying investment is a qualifying interest in land.
- (2) ^{F73}
- (3) ^{F73}
- (4) No [^{F74}company] may make a claim for a relief under subsection (2) of section 587B unless [^{F75}it] has received a certificate given by or on behalf of the charity.
- (5) The certificate must—
- (a) specify the description of the qualifying interest in land which is the subject of the disposal,
 - (b) specify the date of the disposal, and
 - (c) contain a statement that the charity has acquired the qualifying interest in land.

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(6) If, in the case of a disposal of a qualifying interest in land, a disqualifying event occurs at any time in the relevant period, the [^{F76}following] shall be treated as never having been entitled to relief under section 587B in respect of the disposal—

- [in a case to which section 587BA does not apply, the company which made
- ^{F77}(a) the disposal, and
 - (b) in a case to which section 587BA applies, each qualifying company which is an owner.]

(7) All such assessments and adjustments of assessments are to be made as are necessary to give effect to subsection (6) above.

(8) For the purposes of subsection (6) above a disqualifying event occurs if [^{F78}a person mentioned in subsection (8A)]—

- (a) becomes entitled to an interest or right in relation to all or part of the land to which the disposal relates, or
- (b) becomes party to an arrangement under which he enjoys some right in relation to all or part of that land,

otherwise than for full consideration in money or money's worth.

[The persons are—

- ^{F79}(8A) (a) in a case to which section 587BA does not apply—
- (i) the company which made the disposal, or
 - (ii) a person connected with that company, and
- (b) in a case to which section 587BA applies—
- (i) a person who is an owner, or
 - (ii) a person connected with such a person.]

(9) A disqualifying event does not occur, for the purposes of subsection (6) above, if a person becomes entitled to an interest or right as mentioned in subsection (8)(a) above as a result of a disposition of property on death, whether the disposition is effected by will, under the law relating to intestacy or otherwise.

(10) For the purposes of subsection (6) above the relevant period is the period beginning with the date of the disposal of the qualifying interest in land and ending with—

- (a) ^{F80}
- (b) ^{F81} . . . the sixth anniversary of the end of the accounting period in which the disposal was made.

(11) Section 839 (connected persons) applies for the purposes of this section.

(12) This section shall be construed as one with section 587B.]

Textual Amendments

- F72** S. 587C inserted (with effect in accordance with s. 97(6) of the amending Act) by Finance Act 2002 (c. 23), s. 97(5)
- F73** S. 587C(2)(3) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 139(2), Sch. 3 Pt. 1 (with Sch. 2)
- F74** Word in s. 587C(4) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 139(3)(a) (with Sch. 2)
- F75** Word in s. 587C(4) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 139(3)(b) (with Sch. 2)

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- F76** Word in s. 587C(6) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 139\(4\)\(a\)](#) (with [Sch. 2](#))
- F77** [S. 587C\(6\)\(a\)\(b\)](#) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 139\(4\)\(b\)](#) (with [Sch. 2](#))
- F78** Words in s. 587C(8) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 139\(5\)](#) (with [Sch. 2](#))
- F79** [S. 587C\(8A\)](#) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 139\(6\)](#) (with [Sch. 2](#))
- F80** [S. 587C\(10\)\(a\)](#) and word repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 139\(7\)\(a\), Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F81** Words in s. 587C(10)(b) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 139\(7\)\(b\), Sch. 3 Pt. 1](#) (with [Sch. 2](#))

588 Training courses for employees.

F82

Textual Amendments

F82 [S. 588](#) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 200, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

589 Qualifying courses of training etc.

F83

Textual Amendments

F83 [S. 589](#) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 68, Sch. 8 Pt. 1](#) (with [Sch. 7](#))

[^{F84}589A Counselling services for employees.

F85]

Textual Amendments

F84 [Ss. 589A, 589B](#) inserted (27.7.1993) by [Finance Act 1993 \(c. 34\), s. 108](#)
F85 [S. 589A](#) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 201, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

^{F86}589B Qualifying counselling services etc.

(1) ^{F87}

(2) ^{F87}

(3) ^{F87}

[^{F88}(4) ^{F87}

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- (4A) ^{F87}]
- (5) ^{F89}

Textual Amendments

- F86** Ss. 589A, 589B inserted (27.7.1993) by Finance Act 1993 (c. 34), **s. 108**
- F87** S. 589B(1)-(4A) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 70(2), **Sch. 8 Pt. 1** (with Sch. 7)
- F88** S. 589B(4)(4A) substituted for s. 589B(4) (with effect in accordance with s. 57(4) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 12 Pt. 2 para. 13**
- F89** S. 589B(5) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 202, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

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