

## SCHEDULES

### SCHEDULE 37

#### BANKS

#### PART II

#### AMENDMENTS OF THE TAXES ACT 1988

##### *Application*

- 6       The amendments of the Taxes Act 1988 made by paragraphs 2 to 5 above apply as mentioned in paragraphs 7 to 10 below.
- 7       The amendment of section 234A applies in relation to payments made on or after the day on which this Act is passed.
- 8       (1) The amendment of subsection (3)(a) of section 349, and inserted subsection (3AA) of that section so far as it relates to subsection (3)(a), apply in accordance with sub-paragraphs (2) to (6) below.
- (2) The amendments do not apply in relation to interest payable before the day on which this Act is passed.
- (3) In the case of an institution which—
- (a) immediately before the day on which this Act is passed, is treated for the purposes of section 349(3)(a) as a bank carrying on a bona fide banking business in the United Kingdom, and
- (b) on that day, falls within the definition of “bank” given by section 840A(1), the amendments apply in relation to interest payable on an advance made before that day as well as in relation to interest payable on an advance made on or after that day.
- (4) In the case of an institution which—
- (a) immediately before the day on which this Act is passed, is not treated for the purposes of section 349(3)(a) as a bank carrying on a bona fide banking business in the United Kingdom, and
- (b) on that day, falls within the definition of “bank” given by section 840A(1), the amendments apply only in relation to interest payable on an advance made on or after that day.
- (5) Sub-paragraph (6) below applies in the case of an institution which—
- (a) immediately before the day on which this Act is passed, is treated for the purposes of section 349(3)(a) as a bank carrying on a bona fide banking business in the United Kingdom; and
- (b) on that day does not fall within the definition of “bank” given by section 840A(1).

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*Status: This is the original version (as it was originally enacted).*

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- (6) The amendments apply in relation to—
- (a) interest payable on an advance made on or after the day on which this Act is passed; and
  - (b) interest payable on an advance made before that day, if at the time when the interest is paid the person beneficially entitled to the interest is not within the charge to corporation tax as respects the interest.
- (7) The amendment of subsection (3)(b) of section 349, and inserted subsection (3AA) of that section so far as it relates to subsection (3)(b), apply in relation to interest paid on or after the day on which this Act is passed on an advance made on or after that day.
- (8) In relation to interest paid on an advance made before the day on which this Act is passed, section 349(3)(b) shall have effect as if for the words “such a bank” there were substituted “a bank carrying on a bona fide banking business in the United Kingdom” (and section 349(3AA) shall be disregarded).
- 9       The amendments of sections 745 and 816 apply in relation to requirements imposed on or after the day on which this Act is passed.
- 10       The amendments of paragraphs 7 and 10 of Schedule 20 apply in relation to deposits made or, as the case may be, money placed on or after the day on which this Act is passed.