



Finance Act 2010

CHAPTER 13

FINANCE ACT 2010

PART 1

CHARGES, RATES ETC

Income tax

- 1 Charge, main rates, thresholds and allowances etc for 2010-11

Corporation tax

- 2 Charge and main rate for financial year 2011
- 3 Small profits rates and fractions for financial year 2010

Capital gains tax

- 4 Increase in entrepreneurs' relief

Capital allowances

- 5 Annual investment allowance

Stamp duty land tax

- 6 Relief for first-time buyers
- 7 Rate in respect of residential property where consideration over £1m

Inheritance tax

- 8 Rate bands

Status: This is the original version (as it was originally enacted).

Alcohol and tobacco

- 9 Rates of alcoholic liquor duties
- 10 Rates of tobacco products duty

Vehicle excise duty

- 11 Rates for motorcycles

Fuel duties

- 12 Fuel duties: rates and rebates from April 2010
- 13 Fuel duties: further changes in rates and rebates

Other environmental taxes

- 14 Rates of air passenger duty
- 15 Standard rate of landfill tax
- 16 Rate of aggregates levy
- 17 Rates of climate change levy
- 18 Climate change levy: reduced-rate supplies

Gambling

- 19 Rate of bingo duty
- 20 Rates of gaming duty
- 21 Amusement machine licence duty

New taxes

- 22 Bank payroll tax
- 23 Pensions: high income excess relief charge

PART 2

ANTI-AVOIDANCE AND REVENUE PROTECTION

Losses, capital allowances etc

- 24 Sideways relief etc
- 25 Property loss relief
- 26 Capital allowance buying
- 27 Leased assets
- 28 Cushion gas
- 29 Sale of lessors: consortium relationships

Charities etc

- 30 Charities and community amateur sports clubs: definitions
- 31 Gifts of shares etc to charities
- 32 Miscellaneous amendments

Remittance basis

- 33 “Relevant person”
- 34 Foreign currency bank accounts

Other international matters

- 35 Penalties: offshore income etc
- 36 Reliefs and reductions for foreign tax
- 37 Asset transfer to non-resident company: recovery of postponed charge

Securities etc

- 38 Transactions in securities
- 39 Approved CSOP schemes: eligible shares
- 40 Unauthorised unit trusts
- 41 Index-linked gilt-edged securities
- 42 Approved share incentive plans

Loan relationships and derivative contracts

- 43 Close companies: release of loans to participators etc
- 44 Connected companies: releases of debts
- 45 Relationships treated as loan relationships etc: repos
- 46 Risk transfer schemes

Insurance companies

- 47 Apportionment of asset value increases

Pensions

- 48 Extension of special annual allowance charge
- 49 Information

Value added tax and insurance premium tax

- 50 Extension of reverse charge provisions to supplies of services
- 51 Insurance premium tax: separate contracts

Inheritance tax

- 52 Reversionary interests of purchaser or settlor etc in relevant property
- 53 Interests in possession

Stamp taxes

- 54 SDRT: depositary receipt systems and clearance services systems
- 55 SDLT: partnerships

Administration

- 56 Disclosure of tax avoidance schemes
- 57 Opening of postal packets

PART 3

OTHER PROVISIONS

Income tax: benefits in kind

- 58 Zero and low emission vehicles
- 59 Cars with CO₂ emissions figure
- 60 Subsidised meals for employees: salary sacrifice etc

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

Corporation tax

- 61 Sale of lessors: election out of charge
- 62 Accounting standards: loan relationships and derivative contracts

Miscellaneous

- 63 Champions League final
- 64 FSCS intervention in relation to insurance contracts
- 65 Stamp duty and SDRT: clearing houses
- 66 Alcoholic liquor duties: power to amend definition of “cider”
- 67 Climate change levy: compatible state aid
- 68 Pensions: minor corrections

Final provisions

- 69 Interpretation
- 70 Short title

SCHEDULES

SCHEDULE 1 — Bank payroll tax

Part 1 — THE TAX

- 1 The tax
 - 2 Rate
 - 3 “Taxable company”
 - 4 “Relevant remuneration”
 - 5 “Excluded remuneration”
 - 6 “Awarded”
 - 7 “Amount” of remuneration
 - 8 “The chargeable period”
 - 9 “Relevant banking employee”
 - 10 Multiple employments
 - 11 Payments etc to intermediaries
 - 12 Arrangements for future payments etc
 - 13 Loans
 - 14 Anti-avoidance
 - 15 No deduction in computing profits
- Part 2 — COLLECTION AND MANAGEMENT OF TAX
- 16 Responsibility for collection and management
 - 17 Due date for payment
 - 18 Obligation to deliver return
 - 19 Content etc of return
 - 20 Failure to include self-assessment
 - 21 Amendment of return by company
 - 22 Correction of return by HMRC
 - 23 Enquiry into return
 - 24 Determination by HMRC
 - 25 Discovery assessment by HMRC
 - 26 Notice of a discovery assessment— (a) must be served on...
 - 27 (1) No discovery assessment may be made after the relevant...
 - 28 (1) If a discovery assessment is made with respect to...
 - 29 Collection and recovery

- 30 Interest on late payments and repayments
- 31 Overpaid tax etc
- 32 Appeals and other proceedings
- 33 (1) Where a provision of FA 1998 is applied by...
- 34 Obligation to preserve records
- 35 (1) A taxable company which fails to comply with paragraph...
- 36 Information powers
- 37 Penalties
- 38 (1) Schedule 55 to FA 2009 (penalties for failure to...
- 39 (1) Schedule 56 to FA 2009 (penalties for failure to...
- 40 Miscellaneous
- 41 Chapter 6 of Part 22 of CTA 2010 (collection etc...
- 42 Section 118(5) to (7) of TMA 1970 (meaning of carelessly...
Part 3 — DEFINITIONS
- 43 “UK resident bank” and “relevant foreign bank”
- 44 “Relevant regulated activity”, “capital resources condition”, “excluded
company”, “asset management activities”, “linked entity” etc
- 45 “Member of a banking group”
- 46 “The trading income of the group” for the relevant period
- 47 “Investment company” etc
- 48 “Financial trading company” etc
- 49 Other interpretative provisions

SCHEDULE 2 — Pensions: high income excess relief charge

- 1 Part 4 of FA 2004 (pension schemes etc) is amended...
- 2 After section 213 insert— High income excess relief charge High...
- 3 (1) Section 282 (orders and regulations) is amended as follows....
- 4 In Schedule 34 (non-UK schemes: application of certain charges),
after...
- 5 The amendments made by this Schedule have effect for the...

SCHEDULE 3 — Sideways relief etc

- 1 Amendments of Chapter 2 of Part 4 of ITA 2007
- 2 In section 60(1)(c) (overview of Chapter), for “(see sections 75”...
- 3 In section 64(8) (deduction of losses from general income)—
- 4 In section 72(5) (relief for individuals for losses in first...
- 5 Before section 74A insert— No relief for tax-generated losses (1) This
section applies if— (a) during a tax year...
- 6 Omit section 74B (no relief for tax-generated losses in case...
- 7 (1) Section 74C (meaning of “non-active capacity” for purposes of...
- 8 (1) Section 74D (meaning of “qualifying film expenditure” for
purposes...
- 9 Omit section 81 (dealings in commodity futures).
- 10 Other amendments
- 11 Commencement

SCHEDULE 4 — Capital allowance buying

- 1 Part 2 of CAA 2001 (plant and machinery allowances) is...
- 2 After Chapter 16 insert— Chapter 16A Avoidance involving allowance
buying...
- 3 For the heading of Chapter 17 substitute “Other anti-avoidance”.
- 4 Section 247 (giving effect to allowances and charges: trades) is...
- 5 The amendments made by this Schedule have effect where the...

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

6 But in relation to cases where the relevant day is...

SCHEDULE 5 — Leased assets

- 1 Restriction of qualifying expenditure
- 2 Restriction of deduction for rental rebate
- 3 Arrangements reducing disposal value of asset

SCHEDULE 6 — Charities and community amateur sports clubs: definitions

Part 1 — DEFINITION OF “CHARITY”, “CHARITABLE COMPANY” AND
“CHARITABLE TRUST”

- 1 Definition of “charity” etc
- 2 Jurisdiction condition
- 3 Registration condition
- 4 Management condition
- 5 Periods over which management condition treated as met
- 6 Publication of names and addresses of bodies or trusts regarded by HMRC as charities
- 7 Enactments to which this Part applies

Part 2 — REPEALS OF SUPERSEDED DEFINITIONS AND OTHER
CONSEQUENTIAL AMENDMENTS

- 8 FA 1982
- 9 FA 1983
- 10 IHTA 1984
- 11 FA 1986
- 12 FA 1989
- 13 TCGA 1992
- 14 F(No.2)A 1997
- 15 FA 1999
- 16 CAA 2001
- 17 ITEPA 2003
- 18 FA 2003
- 19 In paragraph 1 (charities relief), omit sub-paragraph (4).
- 20 In paragraph 4 (charitable trusts), in sub-paragraph (2), omit “and...”
- 21 ITTOIA 2005
- 22 F(No.2)A 2005
- 23 ITA 2007
- 24 FA 2008
- 25 CTA 2009
- 26 FA 2009
- 27 CTA 2010
- 28 TIOPA 2010
- 29 Power to make further consequential provision
 - Part 3 — MEANING OF “COMMUNITY AMATEUR SPORTS CLUB”
 - 30 Chapter 9 of Part 13 of CTA 2010 (community amateur...
 - 31 In section 658(1) (meaning) omit the “and” at the end...
 - 32 After section 661 insert— The location condition (1) A club meets the location condition for the purposes...
- Part 4 — COMMENCEMENT
- 33 Commencement of Part 1
- 34 Commencement of Part 2
- 35 Commencement of Part 3

SCHEDULE 7 — Gifts of shares etc to charities

- 1 Gifts by individuals
- 2 (1) Section 437 (value of net benefit to charity) is...
- 3 After section 438 insert— Acquisition value of qualifying investments
(1) For the purposes of this Chapter the acquisition value...
- 4 In Schedule 4 to ITA 2007 (index of defined expressions),...
- 5 Gifts by companies
- 6 (1) Section 209 (value of net benefit to charity) is...
- 7 After section 210 insert— Acquisition value of qualifying investments
(1) For the purposes of this Chapter the acquisition value...
- 8 In Schedule 4 to CTA 2010 (index of defined expressions),...
- 9 Commencement and corresponding ICTA amendments
- 10 Amendments corresponding to the ones made by paragraphs 6 and...

SCHEDULE 8 — Charities: miscellaneous amendments

- 1 Payroll giving
- 2 Payments to bodies outside the UK: non-charitable expenditure
- 3 Gift aid: disqualified overseas gifts
- 4 Gift aid administration: charitable trusts
- 5 (1) ITA 2007 is amended as follows.
- 6 Gift aid administration: charitable companies
- 7 In CTA 2010, after section 477 insert— Claims Claims in...
- 8 Commencement

SCHEDULE 9 — Foreign currency bank accounts

- 1 In TCGA 1992, after section 252 insert— Foreign currency bank...
- 2 In that Act, after Schedule 8 insert— Schedule 8A Foreign...
- 3 The amendments made by this Schedule have effect in relation...

SCHEDULE 10 — Penalties: offshore income etc

- 1 Schedule 24 to FA 2007
- 2 For paragraph 4 substitute— (1) This paragraph sets out the penalty payable under paragraph...
- 3 For paragraph 10 substitute— (1) If a person who would otherwise be liable to...
- 4 In paragraph 12 (interaction with other penalties), for subparagraph (4)...
- 5 In Part 5 (general), before the heading “Interpretation” insert— Classification...
- 6 After paragraph 23A insert— UK” means the United Kingdom, including the territorial sea of...
- 7 Schedule 41 to FA 2008
- 8 For paragraph 6 substitute— (1) This paragraph sets out the penalty payable under paragraph...
- 9 For paragraph 13 substitute— (1) If a person who would otherwise be liable to...
- 10 Schedule 55 to FA 2009
- 11 (1) Paragraph 6 (amount of penalty if failure continues more...
- 12 After paragraph 6 insert— (1) Information is category 1 information if —
- 13 (1) Paragraph 15 (reductions for disclosure) is amended as follows....
- 14 In paragraph 17 (interaction with other penalties)—

SCHEDULE 11 — Reliefs and reductions for foreign tax

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

- 1 Effect of foreign tax becoming payable
- 2 (1) Section 85 of TIOPA 2010 (schemes about effect of...
- 3 (1) The amendments made by paragraphs 1 and 2 have...
- 4 Schemes about deemed foreign tax
- 5 Foreign tax payable by other participants
- 6 Claims etc made before scheme or arrangement made
- 7 Limit on reduction for foreign tax

SCHEDULE 12 — Transactions in securities

- 1 Income tax
- 2 For sections 682 to 694 substitute— Introduction Overview of Chapter...
- 3 In section 698(6) (counteraction notices), omit— (a) the entry relating...
- 4 Omit section 699 (limit on amount assessed in section 689...
- 5 In section 700 (timing of assessments in section 690 cases)—...
- 6 In the heading before section 701, omit “and information powers”....
- 7 (1) Section 713 (interpretation) is amended as follows.
- 8 Corporation tax
- 9 In section 733(2) (company liable to counteraction of corporation tax...
- 10 Omit section 735 (abnormal dividends used for exemptions or reliefs)...
- 11 Consequential amendments
- 12 (1) Schedule 4 to that Act (index of defined expressions)...
- 13 In FA 2007, in Schedule 26, omit paragraph 12(11).
- 14 In CTA 2010, in Schedule 1, omit paragraphs 545 and...
- 15 Commencement

SCHEDULE 13 — Unauthorised unit trusts

- 1 Amendments of Chapter 13 of Part 15 of ITA 2007
- 2 Consequential amendments
- 3 Commencement
- 4 Transitional provision: opening value of trustees’ double tax relief pool

SCHEDULE 14 — Index-linked gilt-edged securities

- 1 Amendments of Chapter 12 of Part 5 of CTA 2009
- 2 In section 398(2) (overview of Chapter), for paragraph (a) substitute—...
- 3 For the heading before section 399 substitute— Index-linked gilt-edged securities...
- 4 (1) Section 399 (index-linked gilt-edged securities: basic rules) is amended...
- 5 (1) Section 400 (index-linked gilt-edged securities: adjustments for changes in...
- 6 After section 400 insert— Adjustments for changes in index: relevant...
- 7 Consequential amendment
- 8 Commencement
- 9 Transitional provision

SCHEDULE 15 — Connected companies: releases of debts

- 1 Amendments of section 322 of CTA 2009
- 2 Amendments of Chapter 6 of Part 5 of CTA 2009
- 3 Commencement
- 4 Transitional provision

SCHEDULE 16 — Risk transfer schemes

- 1 Amendments

- 2 In section 1(4) (overview of Act) omit the “and” at...
- 3 After Part 21 insert— Part 21A Risk transfer schemes Introduction...
- 4 In Schedule 4 (index of defined expressions), insert at the...
- 5 Commencement and transitional provision

SCHEDULE 17 — Disclosure of tax avoidance schemes

- 1 Introduction
- 2 Initial marketing
- 3 (1) Section 308(2) (duties of promoter) is amended as follows....
- 4 In section 313A(1) (pre-disclosure enquiry), for “of a proposal or...
- 5 In section 318(1) (interpretation), after the definition of “HMRC” insert
—...
- 6 Promoters to provide client lists
- 7 In section 316 (information to be provided in manner and...
- 8 In section 317(2) (regulations), after “may” insert “make different
provision...
- 9 Information provided to introducers
- 10 Penalties
- 11 Commencement

SCHEDULE 18 — Sale of lessors: election out of charge

- 1 Main changes
- 2 (1) Section 382 (introduction to Chapter) is amended as follows....
- 3 In section 383 (income and matching expense in different accounting...
- 4 For section 392 (and the italic heading before it) substitute—...
- 5 After section 394 insert— “Qualifying change of ownership”
“Qualifying change...
- 6 After section 398 insert— Election out of qualifying change of...
- 7 Interpretation
- 8 In Schedule 4 to that Act (index of defined expressions),...
- 9 Commencement etc
- 10 Amendments corresponding to those made by this Schedule, having
effect...
- 11 Neither section 398F of CTA 2010 (inserted by paragraph 6)...
- 12 Section 398A of CTA 2010 (as inserted by paragraph 6)...
- 13 Section 398D of CTA 2010 (as inserted by paragraph 6)—...

SCHEDULE 19 — Accounting standards: loan relationships and derivative contracts

- 1 Loan relationships
- 2 Derivative contracts
- 3 Affirmative resolution procedure

SCHEDULE 20 — Champions League final

- 1 Exemption from income tax
- 2 Exclusion of certain income
- 3 Tax avoidance
- 4 Disapplication of section 966 of ITA 2007
- 5 Interpretation
- 6 In this Schedule— “the 2011 Champions League final” means the...