



Finance Act 1966

1966 CHAPTER 18

PART VII

MISCELLANEOUS

50 Information relating to stock jobbers' transactions.

- (1) The Board may exercise the powers conferred by this section as respects, and in connection with, any business which is, or has been, carried on by a jobber or dealing broker whose liability to tax in respect of the business is determined on the footing that any excess of his payments in respect of interest on securities over his receipts in respect thereof, being payments made or receipts accrued in pursuance of a contract for the sale or purchase of the securities, is to be treated for all the purposes of the Income Tax Acts or the Corporation Tax Acts as an annual payment made by him.
- (2) With a view to obtaining information about transactions in the course of a business within subsection (1) above, the Board may serve on the jobber or dealing broker by whom the business is or has been carried on a notice requiring him to make available within a time specified in the notice, for inspection by an inspector or other officer of the Board, all such books, accounts and other documents in his possession or power as may be specified or described in the notice, being books, accounts or other documents which in the opinion of the Board contain or may contain information directly or indirectly relating to any such transactions.
- (3) The Board may serve on any broker a notice requiring him to make available within a time specified in the notice, for inspection by an inspector or other officer of the Board, all such books, accounts or other documents in his possession or power as may be specified or described in the notice, being books, accounts or other documents which in the opinion of the Board contain or may contain information relating directly or indirectly to transactions in the course of a business within subsection (1) above.
- (4) The Board may by notice in writing require—
 - (a) a person, other than a broker, who has directly or indirectly received from a jobber or dealing broker any payment made by the jobber or dealing broker in the course of a business within subsection (1) above, being a payment treated

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- by the jobber or dealing broker as made in respect of interest on securities, to state within a time specified in the notice whether the amount received is in whole or in part received on behalf of, or for payment on to, any other person and, if so, to furnish the name and address of that other person, or
- (b) a person who has directly or indirectly paid to a jobber or dealing broker any sum constituting a receipt by him in the course of a business within subsection (1) above, being a receipt treated by the jobber or dealing broker as accruing in respect of interest on securities, to state within a time specified in the notice whether the amount paid is in whole or in part received from, or paid on account of, any other person and, if so, to furnish the name and address of that other person.
- (5) Section 250(4) of the Income Tax Act 1952 (power to obtain information from nominee shareholders) shall apply for the purpose of obtaining (from any persons to whom that section applies, whether brokers or jobbers or not) information directly or indirectly relating to any transactions in the course of a business within subsection (1) above, and shall so apply as if for references to shares in a company there were substituted references to securities.
- (6) The Board may not exercise their powers under the foregoing provisions of this section for the purpose of obtaining information relating to transactions in any income tax year of assessment ending more than six years before the service of the notice, but, subject to the foregoing provisions of this subsection, the transactions in respect of which they may exercise those powers shall include transactions before the passing of this Act.
- (7) Part III of the Finance Act 1960 (penalties) shall have effect as if subsections (2), (3) and (4) of this section were included in the second column of Schedule 6 to that Act.
- (8) In this section—
- " the Board " means the Commissioners of Inland Revenue,
 - " broker " means a member of a stock exchange in the United Kingdom other than a jobber,
 - " dealing broker ", in relation to any sale of securities, means a member of a stock exchange in the United Kingdom, other than the London Stock Exchange, who is recognised by the committee of his exchange as carrying on the business of a dealer and authorised by them to deal in those securities,
 - " jobber " means a member of the London Stock Exchange who is recognised by the committee thereof as carrying on the business of a jobber.
 - " securities " includes shares, and " shares ", except where the context otherwise requires, includes stock, and references to interest include references to dividends.