



Finance Act 1973

1973 CHAPTER 51

PART VI

MISCELLANEOUS AND GENERAL

51 Determination for estate duty and capital gains tax of open market price of unquoted shares and securities

- (1) The provisions of subsection (3) below shall have effect in any case where, in relation to an asset to which this section applies, there falls to be determined—
 - (a) by virtue of section 7(5) of the Finance Act 1894 (principal value for purposes of estate duty) the price which, in the opinion of the Commissioners, property consisting of the asset would fetch if sold in the open market; or
 - (b) by virtue of section 44(1) of the Finance Act 1965 (market value for purposes of tax on chargeable gains) the price which the asset might reasonably be expected to fetch on a sale in the open market.
- (2) The assets to which this section applies are shares and securities which are not quoted on a recognised stock exchange, within the meaning of the Corporation Tax Acts, at the time as at which their principal value for the purposes of estate duty or their market value for the purposes of tax on chargeable gains falls to be determined.
- (3) For the purposes of a determination falling within subsection (1) above, it shall be assumed that, in the open market which is postulated for the purposes of that determination, there is available to any prospective purchaser of the asset in question all the information which a prudent prospective purchaser of the asset might reasonably require if he were proposing to purchase it from a willing vendor by private treaty and at arm's length.
- (4) The provisions of Schedule 20 to this Act shall have effect with respect to the application of this section.
- (5) This section and Schedule 20 to this Act.—
 - (a) so far as they relate to estate duty, shall be construed as one with the Finance Act 1894 ; and

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- (b) so far as they relate to capital gains tax, shall be construed as one with Part III of the Finance Act 1965.

52 Transitional relief for charities

- (1) Where a charity (within the meaning of section 360 of the Taxes Act)—
- (a) was entitled, by virtue of the exemption granted under subsection (1)(c)(ii) of that section, to repayment of tax under Schedule D for the year 1971-72 in respect of an annual payment received by it under a disposition (other than a disposition made for a consideration in money or money's worth) under which the amount actually payable did not vary with the standard rate of income tax ; and
 - (b) is so entitled for the year 1973-74 or any of the three subsequent years of assessment in respect of any annual payment received by it under that or a similar disposition which was made before 6th March 1973 and not varied on or after that date;

the charity may, in addition to making a claim under that section for any of the years mentioned in paragraph (b) above for which it is entitled as mentioned therein, claim relief under this section; and on a claim so made it shall be entitled to be paid by the Commissioners of Inland Revenue out of moneys provided by Parliament an amount equal—

- (i) for the first of the years mentioned in paragraph (b) above, to the difference specified in subsection (2) below;
 - (ii) for the second of those years, to three-quarters of that difference;
 - (iii) for the third of those years, to one-half of that difference ; and
 - (iv) for the last of those years, to one-quarter of that difference.
- (2) The difference referred to in subsection (1) above is the difference between—
- (a) the aggregate amount of the repayments to which the charity was entitled as mentioned in paragraph (a) of that subsection; and
 - (b) the aggregate of what those repayments would have been if the standard rate for 1971-72 had been 30 per cent.
- (3) A claim for relief under this section must be made not later than two years after the end of the year of assessment to which it relates and, if it relates to the year 1973-74, not earlier than 1st October 1973.
- (4) Where the activities of a charity which has ceased to exist are carried on by another charity, this section shall apply as if that other charity had been entitled to any repayment of tax for the year 1971-72 to which the charity which has ceased to exist was entitled.

53 Overseas pensions: continuation of certain exemptions from tax

- (1) Section 214 of the Taxes Act (tax exemption in respect of certain overseas pensions and pension funds) shall have effect subject to the following modifications:—
- (a) at the end of paragraph (c) of subsection (1) there shall be inserted the following paragraph:—
 - “(d) a pension paid under section 1 of the Overseas Pensions Act 1973, whether or not paid out of a fund established under a scheme made under that section”;

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- (b) in the proviso to subsection (1), after the words " paragraph (a) " there shall be inserted the words " or (d) "; and
 - (c) in subsections (2) and (4), for the words " paragraph (b) or (c) " there shall be substituted the words " paragraph (b). (c) or (d) ".
- (2) Any provision of sections 213 to 217 of the Taxes Act (special treatment of certain overseas pensions and pension funds) which refers—
 - (a) to an enactment which, by virtue of subsection (3) of section 2 of the Overseas Pensions Act 1973, is to have effect as if it constituted a scheme made under that section, or
 - (b) to any provision of, or any instrument made under, such an enactment,shall have effect on and after the commencement of the said Act of 1973 as if it were a reference to the scheme under section 2 of that Act which, as mentioned in paragraph (a) above, is constituted by that enactment or to such other scheme made under that section as is certified by the Secretary of State for the purposes of the Taxes Act to correspond to that enactment; and the reference in section 37(3) of the Finance Act 1958 (estate duty treatment of pensions under the Overseas Service Act 1958) to a pension paid as mentioned in section 215(1) of the Taxes Act shall be construed accordingly.
- (3) If and so long as provision is made by double taxation relief arrangements for a pension of a description specified in subsection (4) below to be exempt from tax in the United Kingdom and, by reason of Her Majesty's Government in the United Kingdom having assumed responsibility for the pension, payments in respect of it are made under section 1 of the Overseas Pensions Act 1973, then, to the extent that those payments are made to, or to the widow or widower of, an existing pensioner, the provision made under the arrangements shall apply in relation to the pension, exclusive of any statutory increases thereof, as if it continued to be paid by the government which had responsibility for it before that responsibility was assumed by Her Majesty's Government in the United Kingdom.
- (4) The pensions referred to in subsection (3) above are pensions paid by—
 - (a) the Government of Malawi for services rendered to that Government or to the Government of the Federation of Rhodesia and Nyasaland in the discharge of governmental functions,
 - (b) the Government of Trinidad and Tobago in respect of services rendered to that Government in the discharge of governmental functions,
 - (c) the Government of the Republic of Zambia for services rendered to that Government or to the Government of Northern Rhodesia or to the Government of the Federation of Rhodesia and Nyasaland in the discharge of governmental functions.
- (5) If, immediately before 6th April 1973, a person resident in the United Kingdom is entitled to receive a pension as, or as the widow or widower of, an existing pensioner, and—
 - (a) by virtue of sections 113 and 122 to 124 of the Taxes Act (foreign pensions chargeable to tax under Case V of Schedule D) income tax in respect of sums received on account of the pension in 1972-73 is assessed by reference only to the amount of income received in the United Kingdom, and
 - (b) by reason of Her Majesty's Government in the United Kingdom having assumed responsibility for the pension, payments in respect of it are made under section 1 of the Overseas Pensions Act 1973,

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then, if and so long as the pension is received by that person or, where that person is an existing pensioner, by his or her widow or widower, the provisions of the Taxes Act shall apply in relation to it, exclusive of any statutory increases thereof, as if it continued to be paid by the government or other body or fund which had responsibility for it before that responsibility was assumed by Her Majesty's Government in the United Kingdom.

- (6) If, by reason of Her Majesty's Government in the United Kingdom having assumed responsibility for a pension, allowance or gratuity, payments in respect of it are made under section 1 of the Overseas Pensions Act 1973, then the enactments relating to estate duty shall apply in relation to the pension, allowance or gratuity, exclusive of any statutory increases thereof, as if it continued to be paid by the government or other body or fund which had responsibility for it before that responsibility was assumed by Her Majesty's Government in the United Kingdom.
- (7) At the end of section 273(5) of the Government of India Act 1935 (pensions payable out of certain family pension funds relating to service in India to be exempt from estate duty) there shall be added the words " or to any fund administered under a scheme made under section 2 of the Overseas Pensions Act 1973 which is certified by the Secretary of State, for the purpose of the exemption conferred by this subsection, to correspond to an Order in Council under subsection (1) of this section. "
- (8) In section 40(4)(a) of the Finance Act 1956 (certain pensions treated for estate duty purposes as if paid by the Government of India or the Government of Pakistan) for the words " the Pensions (India, Pakistan and Burma) Act 1955 " there shall be substituted the words " a scheme made under section 2 of the Overseas Pensions Act 1973 which is constituted by the Pensions (India, Pakistan and Burma) Act 1955 or is certified by the Secretary of State for the purposes of this section to correspond to the said Act of 1955 " and for the words " is paid " there shall be substituted the words " was first paid under the said Act of 1955 ".

- (9) In this section—

" double taxation relief arrangements " means arrangements specified in an Order in Council making any such provisions as are referred to in section 497 of the Taxes Act;

" existing pensioner ", in relation to a pension, means a person by virtue of whose service the pension is payable and who retired from that service before 6th April 1973 ; and

" statutory increases ", in relation to a pension, allowance or gratuity, means so much (if any) of the pension, allowance or gratuity as is paid by virtue of the application to it of any provision of the Pensions (Increase) Act 1971 or any enactment repealed by that Act;

and in this subsection and subsection (6) above " pension, allowance or gratuity " has the same meaning as in section 1 of the Overseas Pensions Act 1973.

54 Amendments consequential on establishment of The Stock Exchange

- (1) In the enactments relating to income tax, corporation tax, capital gains tax, estate duty or stamp duty—
- (a) references to the Stock Exchange, London or the London Stock Exchange, a stock exchange in the United Kingdom or a recognised stock exchange in the United Kingdom shall be construed as references to The Stock Exchange;

- (b) references to quotation on a stock exchange in the United Kingdom or a recognised stock exchange in the United Kingdom shall be construed as references to listing in the Official List of The Stock Exchange; and
- (c) references to a member of a stock exchange in the United Kingdom shall be construed as references to a member of The Stock Exchange ;

and those enactments shall have effect subject to the amendments specified in Schedule 21 to this Act.

- (2) This section shall be deemed to have come into operation on 25th March 1973 but shall not affect the operation of any enactment in relation to anything done before that day.

55 Disclosure of information for statistical purposes

- (1) For the purpose of the compilation or maintenance by the Business Statistics Office of the Department of Trade and Industry of a central register of businesses, or for the purpose of any statistical survey conducted or to be conducted by that Office, the Commissioners or an authorised officer of the Commissioners may disclose to an authorised officer of that Office particulars of the following descriptions obtained or recorded by them in pursuance of Part I of the Finance Act 1972—
 - (a) numbers allocated by the Commissioners on the registration of persons under that Part and reference numbers for members of a group ;
 - (b) names, trading styles and addresses of persons so registered or of members of groups and status and trade classifications of businesses ; and
 - (c) actual or estimated value of supplies.
- (2) Subject to subsection (3) below, no information obtained by virtue of this section by an officer of the Business Statistics Office may be disclosed except to an officer of a Government department (including a Northern Ireland department) for the purpose for which the information was obtained, or for a like purpose.
- (3) Subsection (2) above does not prevent the disclosure—
 - (a) of any information in the form of a summary so framed as not to enable particulars to be identified as particulars relating to a particular person or to the business carried on by a particular person ; or
 - (b) with the consent of any person, of any information enabling particulars to be identified as particulars relating only to him or to a business carried on by him.
- (4) If any person who has obtained any information by virtue of this section discloses it in contravention of this section he shall be liable on summary conviction to a fine not exceeding £400 or on conviction on indictment to imprisonment for a term not exceeding two years or to a fine or to both.
- (5) In this section expressions used in Part I of the Finance Act 1972 have the same meanings as in that Part and references to the Business Statistics Office of the Department of Trade and Industry include references to any Northern Ireland department carrying out similar functions.

56 Charges for services, etc., by Government departments

- (1) Where a Government department, in pursuance of any Community obligation or any international agreement or arrangement, provides any services or facilities or issues any authorisation, certificate or other document, it may, in connection therewith, require the payment of such fees or other charges as may be prescribed by, or

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determined under, regulations made by the Minister in charge of the department with the consent of the Treasury.

- (2) Regulations under this section may provide for the recovery and disposal of any sums payable under the regulations and make different provision for different circumstances.
- (3) The powers conferred by this section are without prejudice to any powers exercisable apart from this section to require the payment of fees or other charges.
- (4) Regulations under this section shall be made by statutory instrument, which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (5) In this section " Government department" includes a department of the Government of Northern Ireland, and any regulations which the Minister in charge of such a department is empowered to make under this section may be made either by him or by the department, and with the consent of the Ministry of Finance for Northern Ireland instead of the Treasury; and in relation to regulations so made subsection (4) of this section shall not apply but they shall be subject to negative resolution, within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954, as if they were a statutory instrument within the meaning of that Act.
- (6) For the purposes of section 6 of the Government of Ireland Act 1920 this section shall be deemed to be contained in an Act passed before the day appointed for the purposes of that section.

57 Payments to sugar refiners

- (1) If for any accounting period the revenues of a sugar refiner fall short of the total sums which are properly chargeable to revenue account for that period and the Minister of Agriculture, Fisheries and Food so directs, the Sugar Board shall make good the deficiency.
- (2) The Minister of Agriculture, Fisheries and Food may with the approval of the Treasury give directions as to the way in which the revenues of a sugar refiner are to be computed for the purposes of this section and as to the sums to be treated for those purposes as properly chargeable to revenue account.
- (3) In this section " sugar refiner " means a person other than the British Sugar Corporation Limited who carries on business in the United Kingdom as a refiner of sugar.

58 Trustee Investments Act 1961-dividends of water companies

- (1) The Treasury may by order make such amendments in paragraph 10 of Part II of Schedule 1 to the Trustee Investments Act 1961 (under which a trustee's power to invest in certain securities depends on the amount of dividends paid) and in any enactment or instrument modifying that paragraph as appear to them required in consequence of the repeal by the Finance Act 1972 of the provisions relating to the deduction of income tax from distributions made by companies.
- (2) An order under this section may be varied or revoked by a subsequent order under this section, and any such order shall be made by statutory instrument, which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

59 Citation, interpretation, construction, extent and repeals

- (1) This Act may be cited as the Finance Act 1973.
- (2) In this Act " the additional rate " means the additional rate mentioned in section 32(1) of the Finance Act 1971, and " the Taxes Act" means the Income and Corporation Taxes Act 1970.
- (3) In this Act—
 - (a) Part I shall be construed as one with the Customs and Excise Act 1952;
 - (b) Part II, so far as it relates to value added tax, shall be construed as one with Part I of the Finance Act 1972 and, so far as it relates to car tax, shall be construed as one with Part II of the Finance Act 1972;
 - (c) Part III, so far as it relates to income tax, shall be construed as one with the Income Tax Acts, so far as it relates to corporation tax, shall be construed as one with the Corporation Tax Acts and, so far as it relates to capital gains tax, shall be construed as one with Part III of the Finance Act 1965 ;
 - (d) Part IV shall be construed as one with the Finance Act 1894; and
 - (e) Part V shall be construed as one with the Stamp Act 1891.
- (4) Except so far as the context otherwise requires, any reference in this Act to any enactment shall be construed as a reference to that enactment as amended, and as including a reference to that enactment as applied, by or under any other enactment, including this Act.
- (5) Except as otherwise expressly provided, such of the provisions of this Act as relate to matters in respect of which the Parliament of Northern Ireland has power to make laws do not extend to Northern Ireland.
- (6) If the Parliament of Northern Ireland passes provisions amending or replacing any enactment of that Parliament referred to in this Act the reference shall be construed as a reference to the enactment as so amended or, as the case may be, as a reference to those provisions.
- (7) The enactments mentioned in Schedule 22 to this Act (which include certain enactments which had ceased to have effect before the commencement of this Act) are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.