

SCHEDULES

SCHEDULE 1

Section 1(3).

WINE: RATES OF DUTY

Description of wine	Rates of duty per hectolitre
Wine of a strength—	£
not exceeding 15 per cent.	81.42
exceeding 15 but not exceeding 18 per cent.	93.93
exceeding 18 but not exceeding 22 per cent.	110.59
exceeding 22 per cent.	110.59 plus £11.87 for every 1 per cent, or part of 1 per cent, in excess of 22 per cent.; each of the above rates of duty being, in the case of sparkling wine, increased by £17.90 per hectolitre.

SCHEDULE 2

Section 1(4).

MADE-WINE: RATES OF DUTY

Description of made-wine	Rates of duty per hectolitre
Made-wine of a strength—	£
not exceeding 10 per cent.	52.85
exceeding 10 but not exceeding 15 per cent.	79.16
exceeding 15 but not exceeding 18 per cent.	87.04
exceeding 18 per cent.	87.04 plus £11.87 for every 1 per cent, or part of 1 per cent, in excess of 18 per cent.; each of the above rates of duty being, in the case of sparkling made-wine, increased by £8.25 per hectolitre.

Status: This is the original version (as it was originally enacted).

SCHEDULE 3

Section 4(2).

PROVISIONS SUBSTITUTED IN VEHICLES (EXCISE) ACT 1971

I

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 1

Description of vehicle	Rate of duty
	£
1. Bicycles and tricycles of which the cylinder capacity of the engine does not exceed 150 cubic centimetres	6.00
2. Bicycles of which the cylinder capacity of the engine exceeds 150 cubic centimetres but does not exceed 250 cubic centimetres; tricycles (other than those in the foregoing paragraph) and vehicles (other than mowing machines) with more than three wheels, being tricycles and vehicles neither constructed nor adapted for use nor used for the carriage of a driver or passenger	12.00
3. Bicycles and tricycles not in the foregoing paragraphs	24.00

II

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 2

Description of vehicle	Rate of duty
	£
Hackney carriages	30.00 with an additional 60p for each person above 20 (excluding the driver) for which the vehicle has seating capacity.

Status: This is the original version (as it was originally enacted).

III

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 3

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each ton or part of a ton in excess of the weight in column 2
1. Agricultural machines; digging machines; mobile cranes; works trucks; mowing machines; fishermen's tractors.	—	—	£ 10.50	£ —
2. Haulage vehicles, being showmen's vehicles.	—	7 ¼ tons	101.00	—
	7 ¼ tons	8 tons	121.00	—
	8 tons	10 tons	142.00	—
	10 tons	—	142.00	22.00
3. Haulage vehicles, not being showmen's vehicles.	—	2 tons	120.00	—
	2 tons	4 tons	216.00	—
	4 tons	6 tons	312.00	—
	6 tons	7 ¼ tons	408.00	—
	7 ¾ tons	8 tons	498.00	—
	8 tons	10 tons	498.00	84.00
	10 tons	—	666.00	96.00

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

IV

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 4

TABLES SHOWING ANNUAL RATES OF DUTY ON GOODS VEHICLES

TABLE A

GENERAL RATES OF DUTY

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each $\frac{1}{4}$ ton or part of a $\frac{1}{4}$ ton in excess of the weight in column 2
			£	£
1. Farmers' goods vehicles	—	12 cwt.	36 00	
	12 cwt.	16 cwt.	38 00	—
	16 cwt.	1 ton	42 00	—
	1 ton	3 tons	42.00	5
	3 tons	5 tons	80 00	4
	5 tons	7 tons	111.00	3
	7 tons	9 tons	135.00	2
	9 tons	—	163.00	4
2. Showmen's goods vehicles ...	—	12 cwt.	36.00	—
	12 cwt.	16 cwt.	38.00	—
	16 cwt.	1 ton	42.00	—
	1 ton	3 tons	42.00	5
	3 tons	5 tons	80.00	4
	5 tons	6 tons	111.00	3
	6 tons	9 tons	123.00	5
	9 tons	—	193.00	7
3. Tower wagons	—	12 cwt.	48.00	—
	12 cwt.	16 cwt.	53.00	—
	16 cwt.	1 ton	60 00	—
	1 ton	4 tons	60 00	6
	4 tons	6 tons	133.00	7

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

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each $\frac{1}{4}$ ton or part of a $\frac{1}{4}$ ton in excess of the weight in column 2
4. Goods vehicles not included in any of the foregoing provisions of this Part of this Schedule.	6 tons	9 tons	190.00	6
	9 tons	—	275.00	10
	—	16 cwt.	60.00	—
	16 cwt.	1 ton	67.00	—
	1 ton	4 tons	67.00	17
	4 tons	9 tons	269.00	30
	9 tons	10 tons	940.00	33
10 tons	—	1,071.00	39	

TABLE B

RATES OF DUTY ON GOODS VEHICLES USED FOR DRAWING TRAILERS

1.	Weight unladen of vehicle		4.
	2.	3.	
Description of vehicle	Exceeding	Not exceeding	Rate of duty
1. Showmen's goods vehicles	—	—	£ 36.00
2. Other goods vehicles	—	1 $\frac{1}{2}$ tons	36.00
	1 $\frac{1}{2}$ tons	3 tons	48.00
	3 tons	4 tons	80.00
	4 tons	6 tons	108.00
	6 tons	9 tons	134.00
	9 tons	—	146.00

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

V

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 5

Description of vehicle	Rate of duty
	£
1. Vehicles not exceeding seven horsepower, if registered under the Roads Act 1920 for the first time before 1st January 1947.	43.00
2. Vehicles not included above.	60.00

SCHEDULE 4

Section 5(2).

PROVISIONS SUBSTITUTED IN VEHICLES (EXCISE) ACT (NORTHERN IRELAND) 1972

I

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 1

Description of vehicle	Rate of duty
	£
1. Bicycles and tricycles of which the cylinder capacity of the engine does not exceed 150 cubic centimetres.	6.00
2. Bicycles of which the cylinder capacity of the engine exceeds 150 cubic centimetres but does not exceed 250 cubic centimetres; tricycles (other than those in the foregoing paragraph) and vehicles (other than mowing machines) with more than three wheels, being tricycles and vehicles neither constructed nor adapted for use nor used for the carriage of a driver or passenger.	12.00
3. Bicycles and tricycles not in the foregoing paragraphs	24.00

II

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 2

Description of vehicle	Rate of duty
	£

Description of vehicle	Rate of duty
Hackney carriages.	30.00 with an additional 60p for each person above 20 (excluding the driver) for which the vehicle has seating capacity.

III

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 3

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each ton or part of a ton in excess of the weight in column 2
			£	£
1. Agricultural machines; digging machines; mobile cranes; works trucks; mowing machines; fishermen's tractors.	—	—	10.50	—
2. Haulage vehicles, being showmen's vehicles.	—	7 ¼ tons	101.00	—
	7 ¼ tons	8 tons	121.00	—
	8 tons	10 tons	142.00	—
	10 tons	—	142.00	22.00
3. Haulage vehicles, not being showmen's vehicles.	—	2 tons	108.00	—
	2 tons	4 tons	192.00	—
	4 tons	6 tons	276.00	—
	6 tons	7 ¼ tons	360.00	—
	7 ¼ tons	8 tons	444.00	—
	8 tons	—	444.00	96.00

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

IV

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 4 TABLES SHOWING ANNUAL RATES OF DUTY ON GOODS VEHICLES

TABLE A

GENERAL RATES OF DUTY

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each $\frac{1}{4}$ ton or part of a $\frac{1}{4}$ ton in excess of the weight in column 2
			£	£
1. Farmers' goods vehicles	—	12 cwt.	36.00	—
	12 cwt.	16 cwt.	38 00	—
	16 cwt.	1 ton	42.00	—
	1 ton	3 tons	42.00	5
	3 tons	6 tons	83.00	2
	6 tons	8 tons	110.00	1
	8 tons	9 tons	121.00	2
	9 tons	—	138.00	3
2. Showmen's goods vehicles; tower wagons.	—	12 cwt.	46.00	—
	12 cwt.	16 cwt.	48.00	—
	16 cwt.	1 ton	54.00	—
	1 ton	3 tons	54.00	3
	3 tons	6 tons	78.00	4
	6 tons	9 tons	122.00	5
	9 tons	—	193 00	7
3. Goods vehicles not included in any of the foregoing provisions of this Part.	—	16 cwt.	60.00	—
	16 cwt.	1 ton	67.00	—
	1 ton	3 tons	67.00	12
	3 tons	4 tons	163.00	19
	4 tons	6 tons	241.00	25
	6 tons	9 tons	440.00	29
	9 tons	—	845.00	35

TABLE B

RATES OF DUTY ON GOODS VEHICLES USED FOR DRAWING TRAILERS

Weight unladen of vehicle			
1.	2.	3.	4.
Description of vehicle	Exceeding	Not exceeding	Rate of duty
		£	£
1. Showmen's goods vehicles	—	—	36.00
2. Other goods vehicles	—	1 ½ tons	36.00
	1 ½ tons	3 tons	48.00
	3 tons	4 tons	80.00
	4 tons	6 tons	108.00
	6 tons	9 tons	134.00
	9 tons	—	146.00

V

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 5

Description of vehicle	Rate of duty
	£
1. Vehicles first registered under the Roads Act 1920 before 1st January 1947, or which, if their first registration for taxation purposes had been effected in Northern Ireland would have been so first registered as aforesaid under the Act as in force in Northern Ireland:	
(i) not exceeding 6 horse power	36.00
(ii) exceeding 6 horse power but not exceeding 9 horse power—for each unit or part of a unit of horse power	6.00
2. Other vehicles	60.00

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

SCHEDULE 5

Section 6(4).

GAMING LICENCE DUTY

Gross gaming yield

- 1 (1) Subject to sub-paragraph (2) below, the gross gaming yield from any premises in any period shall consist of—
- (a) the receipts in that period from charges made in connection with gaming on the premises by way of games to which section 13 of the Betting and Gaming Duties Act 1972 for the time being applies, being charges authorised by regulations under section 14(2) of the Gaming Act 1968 but exclusive of value added tax and of any charge the payment of which does no more than entitle a person to admission to the premises ; and
 - (b) where a provider of the premises (or a person acting on his behalf) is banker in relation to any such gaming as aforesaid, the difference between—
 - (i) the value in money or money's worth of the stakes staked with the banker in such gaming ; and
 - (ii) the value in money or money's worth of the winnings paid by the banker to those taking part in such gaming otherwise than on behalf of a provider of the premises.
- (2) The Treasury may by order made by statutory instrument amend sub-paragraph (1) above ; and subsection (3) of section 15 of the said Act of 1972 (affirmative procedure for orders amending list of chargeable games) shall apply in relation to an order under this sub-paragraph as it applies to an order under subsection (1) of that section.

Returns and payment

- 2 (1) The Commissioners may make regulations—
- (a) requiring returns to be made of the gross gaming yield from any premises in any period, being returns certified in such manner as may be specified in the regulations;
 - (b) requiring returns to be made of expenses incurred in providing facilities for, or in providing anything in connection with, gaming on premises in respect of which a gaming licence is or has been in force and of bad debts incurred in the provision of such gaming ;
 - (c) requiring gaming licence duty chargeable by reference to gross gaming yield to be paid at such time and in such manner as may be specified in the regulations.
- (2) Sub-paragraph (1) above is without prejudice to paragraph 8 of Schedule 2 to the said Act of 1972 (general power to make regulations in connection with gaming licence duty) and paragraph 13(1) of that Schedule (penalties) shall apply to regulations under this paragraph as it applies to regulations under the said paragraph 8.
- (3) Regulations under sub-paragraph (1) above or under the said paragraph 8 may be framed by reference to requirements for the time being in force under the Gaming Act 1968.

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Power to estimate duty

- 3 (1) Where an amount is due on account of gaming licence duty chargeable by reference to gross gaming yield but the Commissioners are unable to ascertain the amount of the duty properly due because—
- (a) returns, accounts, records or other documents have not been made, kept, preserved or produced as required by regulations made under this Schedule or the said Schedule 2 ; or
 - (b) it appears to the Commissioners that any returns, accounts, records or other documents are incomplete or incorrect,
- they may estimate the amount due.
- (2) Without prejudice to the recovery of the full amount due or to the making of a further estimate, the amount estimated shall be recoverable as duty properly due unless in any action relating thereto the person liable proves the amount properly due and that amount is less than the amount estimated.

Recovery of duty

- 4 (1) The duty payable in accordance with paragraph (b) of section 6 (1) or (2) of this Act on a gaming licence in respect of any premises for any period shall be payable by the person who was the holder of the licence but, if not paid by him as required by regulations under paragraph 2(1) (c) above, shall be recoverable from each of the persons mentioned in sub-paragraph (2) below.
- (2) The persons referred to above are—
- (a) the person who was the holder of the licence ;
 - (b) any other person who was a provider of the premises in the period;
 - (c) any other person concerned in the organisation or management of the gaming on the premises in the period ; and
 - (d) any director of a company which falls within paragraphs (a), (b) or (c) above.
- (3) In paragraphs 10(1) and 11 of the said Schedule 2 (recovery by distress and priority in bankruptcy etc.) after the words "by virtue of paragraph 1 or 12(2)(b) of this Schedule " there shall be inserted the words " or of section 6 of the Finance Act 1980 or Schedule 5 to that Act ".
- (4) Where under paragraph 10 of the said Schedule 2 distress is levied for any amount estimated under paragraph 3 above and it is afterwards proved that the amount properly due was less than the amount estimated, that shall not affect the legality of the distress or anything done under paragraph 10 in connection therewith, but the proceeds of sale shall be applied under sub-paragraph (3) of that paragraph in accordance with the amount properly due and not in accordance with the amount estimated. Enforcement
- 5 (1) At the end of paragraph 12(1)(b) of the said Schedule 2 (under which there is a contravention of section 13(3) of the said Act of 1972 unless a provider of the premises in question is the holder of an appropriate licence) there shall be added the words " and has paid all amounts of gaming licence duty which are payable (or which he reasonably believes are payable) by him before that time ".
- (2) In paragraph 12(2)(a) of the said Schedule 2 (penalties) for the words from " be liable " onwards there shall be substituted the words " be liable—

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- (i) on summary conviction, to a penalty of the prescribed sum (as defined in section 171(2) of the Customs and Excise Management Act 1979) or to imprisonment for a term not exceeding six months or to both ;
- (ii) on conviction on indictment, to a penalty of any amount or to imprisonment for a term not exceeding two years or to both."

(3) Sub-paragraph (2) above has effect from 1st October 1981.

- 6 In paragraph 15(1) of the said Schedule 2 (search of premises) after the words " any premises " there shall be inserted the words " or that evidence of any such contravention is to be found there ".

Changes of ownership

- 7 (1) Paragraph 4 of Schedule 2 to the said Act of 1972 (transfer of licences) shall cease to have effect and section 13(2) of that Act and paragraph 3 of Schedule 2 to that Act (under which gaming licences expire on 31st March and 30th September) shall have effect subject to the following provisions.
- (2) A gaming licence in respect of any premises shall expire if the holder ceases to be a provider of the premises.
- (3) Where a licence in respect of any premises expires by virtue of sub-paragraph (2) above another gaming licence may be granted in respect of the premises, and any such licence—
- (a) shall be expressed to take effect on the day following that on which the previous licence expired ; and
 - (b) subject to that sub-paragraph, shall expire when the previous licence would have expired apart from the provisions of this paragraph.
- (4) The Commissioners may allow an application for a licence under sub-paragraph (3) above to be made later than required by paragraph 3(1) of the said Schedule 2.

Charge of duty in respect of short licence periods

- 8 (1) The parts of gross gaming yield which in accordance with the Table in section 6(1) (b) of this Act are chargeable at rates other than the highest shall, in the case of a licence to which this paragraph applies, be reduced in accordance with regulations made by the Commissioners.
- (2) This paragraph applies to a licence if it is one of two or more licences which by virtue of paragraph 7 above are in force in respect of the same premises for consecutive periods all of which expire in the six months ending with 31st March or 30th September in any year.
- (3) This paragraph also applies to a licence in respect of any premises if—
- (a) the licence is not for the whole of the period of six months ending with 31st March or 30th September in any year; and
 - (b) a club has in the course of those six months transferred gaming from those premises to other premises or from other premises to those premises.
- 9 (1) Where a licence is one of two or more licences which by virtue of paragraph 7 above are in force in respect of the same premises for consecutive periods all of which expire in the six months ending with 31st March 1981 or 30th September 1981—

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- (a) the amount referred to in paragraph (a) of subsection (2) of section 6 of this Act shall be payable only when applying for the first of those licences ; but
 - (b) paragraph (b) of that subsection shall have effect in relation to each of the licences as if there had been paid when applying for it a part of that amount (after any increase or reduction under subsection (3) of that section) proportionate to the duration of the licence.
- (2) If the holder of any of the licences referred to in sub-paragraph (1) above other than the first makes an application under paragraph 5 of the said Schedule 2—
- (a) the amount of additional duty shall be calculated under subparagraph (3) of that paragraph as if the amount referred to in section 6(2)(a) of this Act had been payable on the licence; and
 - (b) any additional duty paid shall for the purposes of subparagraph (1)(b) above be added to the part apportioned to the licence.

Alteration and surrender of licences etc.

- 10 (1) In relation to a licence for a period beginning on or after 1st October 1980 any reference to the duty paid or payable on a licence in paragraph 5 or 6 of the said Schedule 2 shall be construed as a reference to the duty paid or payable without reference to gross gaming yield.
- (2) The said paragraph 6 shall not apply to any licence for a period beginning on or after 1st October 1981.

Co-operation with Gaming Board

- 11 (1) No obligation as to secrecy or other restriction on the disclosure of information imposed by statute or otherwise shall prevent—
- (a) the Commissioners or an authorised officer of the Commissioners from disclosing to the Gaming Board for Great Britain or to an authorised officer of that Board, or
 - (b) that Board or an authorised officer of that Board from disclosing to the Commissioners or to an authorised officer of the Commissioners,
- information for the purpose of assisting the Commissioners in the performance of their duties with respect to gaming licence duty or, as the case may be, the Board in the performance of their duties under the said Act of 1968.
- (2) Information obtained in pursuance of this paragraph shall not be disclosed except—
- (a) to the Commissioners or the Board or an authorised officer of the Commissioners or the Board ; or
 - (b) for the purpose of any proceedings connected with a matter in relation to which the Commissioners or the Board perform such duties as aforesaid.

Modification of agreements

- 12 Paragraph 17 of the said Schedule 2 (modification of agreements made before 1st October 1970 where additional duty is payable under the Finance Act 1970 as compared with section 13 of the Finance Act 1966) shall have effect in relation to section 6 of this Act as if for references to 1st October 1970, the Finance Act 1970 and section 13 of the Finance Act 1966 there were substituted respectively

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references to 1st October 1980, the said section 6 and section 14 of the said Act of 1972.

Regulations

- 13 Regulations under this Schedule shall be made by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.

Interpretation

- 14 In this Schedule—
- " the Commissioners " means the Commissioners of Customs and Excise ;
 - " gaming " has the same meaning as in the said Act of 1968 ;
 - " provider ", in relation to any premises used for gaming, means any person having a right to control the admission of persons to those premises, whether or not he also has a right to control the admission of persons to the gaming.

SCHEDULE 6

Section 7.

GAMING MACHINE LICENCE DUTY

PART I

THE BETTING AND GAMING DUTIES ACT 1972

- 1 In section 21(2) there shall be omitted—
- (a) the words " (a) an ordinary licence, being " ;
 - (b) paragraph (b) together with the word " or" immediately preceding it; and
 - (c) the words from " and where a licence " onwards.
- 2 (1) In subsection (1) of section 22 for the words " an ordinary " there shall be substituted the word " a "and in paragraph (b) for the words " or the higher " and " either " there shall be substituted the words " the higher or the peak " and " each " respectively.
- (2) For subsection (5) of that section there shall be substituted the following—
- “(5) Subject to subsection (6) below, for the purposes of a licence—
- (a) a machine is chargeable at the lower rate if it can only be played by the insertion into the machine of a coin or coins of a denomination, or aggregate denomination, not exceeding 2p ;
 - (b) a machine is chargeable at the higher rate—
 - (i) if it is on premises which have local authority approval under the Gaming Acts and is not within paragraph (a) above, or
 - (ii) if it is not on such premises and it can only be played by the insertion into it of a coin or coins of a denomination, or aggregate denomination, exceeding 2p but not exceeding 5p ; and
 - (c) a machine is chargeable at the peak rate in any other case.

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(6) Where the game playable by means of a machine can be played more than once for the insertion of a coin or coins of a denomination, or aggregate denomination, exceeding a sum mentioned in subsection (5) above, the machine is to be treated for the purposes of that subsection as if it can only be played by the insertion into it of a coin of a denomination not exceeding that sum if in effect the amount payable to play the game once does not exceed that sum.”.

3 In section 23—

- (a) for the words "an ordinary", wherever they occur, there shall be substituted the word " a ";
- (b) for the Tables in subsection (1) there shall be substituted the following—

“TABLE A

PREMISES WITH LOCAL AUTHORITY APPROVAL

Description of machines authorised by the licence	Number of machines of that description so authorised	Duty on whole-year licence
Chargeable at the lower rate.	One or more machines	£20 per machine.
Chargeable at the higher rate.	One machine	£25.
	Two or more machines	£25 plus £100 per machine in excess of one.

TABLE B

PREMISES WITHOUT LOCAL AUTHORITY APPROVAL

Description of machines authorised by the licence	Number of machines of that description so authorised	Duty on whole-year licence
Chargeable at the lower rate.	One or more machines	£50 per machine.
Chargeable at the higher rate.	One machine	£100.
	Two or more machines	£100 plus £200 per machine in excess of one.
Chargeable at the peak rate.	One or more machines	£300 per machine.”

4 Section 24 shall be omitted.

5 (1) In subsection (1) of section 25 after the words " no gaming machine " there shall be inserted the words " other than a penny machine ".

(2) In subsection (2) of that section—

- (a) the word " ordinary ", in both places, shall be omitted; and

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(b) there shall be substituted for the words " the lower " the word " one " and for the words " the higher" the word " another ".

(3) In subsection (3) of that section there shall be substituted—

- (a) for the words " an ordinary ". the word " a " ;
- (b) for the words " the lower " the word " one " ; and
- (c) for the words " the higher " the word " another ".

(4) In subsection (4) of that section there shall be substituted—

- (a) for the words " an ordinary " the word " a " ;
- (b) for the words " one only of the two rates " the words " at one rate only " ;
- (c) for the words " at the other rate " in paragraph (b) the words " at any other rate ";

and in paragraph (b) the word " ordinary " shall be omitted.

(5) Subsection (5) of that section shall be omitted.

6 In section 26(4)—

- (a) paragraph (a) shall be omitted;
- (b) in paragraph (b) the words " penny machine or any other " shall be omitted and for " 1-25p " there shall be substituted " 2p " ; and for the words " an ordinary " there shall be substituted the word " a " ;
- (c) for paragraph (c) there shall be substituted the following—

“(c) in the case of a machine which is on premises which have local authority approval under the Gaming Acts and is not within paragraph (b) above or which is not on such premises and which no player can play except by the insertion into the machine of a coin or coins of a denomination, or aggregate denomination, exceeding 2p but not exceeding 5p, be treated for the purposes of a licence as a number of machines, all chargeable at the higher rate, equal to that number of persons ; and

(d) in a case not falling within paragraph (b) or (c) above, be treated for the purposes of a licence as a number of machines, all chargeable at the peak rate, equal to that number of persons ;”.

7 After paragraph 2A of Schedule 4 there shall be inserted the following—

“Months preceding and following half-year summer licences

2B A gaming machine licence shall not be required in order to authorise the provision of a gaming machine on any premises during March or October of any year if the premises have local authority approval under the Gaming Acts and the provision of the machine on the premises has been authorised by a gaming machine licence for the period from 1st April to 30th September in that year.”.

8 In sub-paragraph (1) of paragraph 4 of that Schedule for the words " an ordinary ", in both places, there shall be substituted the word " a " and sub-paragraph (2) of that paragraph shall be omitted.

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- 9 In sub-paragraph (2) of paragraph 5 of that Schedule for the words " An ordinary " and " an ordinary " there shall be substituted respectively the words " A " and " a " and sub-paragraphs (3) to (5) of that paragraph shall be omitted.
- 10 In paragraph 7(b) of that Schedule the words " in the case of an ordinary licence " shall be omitted and there shall be substituted for the words " the lower rate or the higher rate " the words " one rate " and for the words " the other rate " the words " another rate ".
- 11 In paragraph 8 of that Schedule—
- (a) in sub-paragraph (2) there shall be substituted—
 - (i) for the words " An ordinary " the word " A ",
 - (ii) in paragraph (a) for the words " one or other, or at each, of the two rates " the words " one or more of the rates ", and
 - (iii) in paragraph (b) and (c) for the words " the other " the word " another " ;
 - (b) sub-paragraph (3) shall be omitted ; and
 - (c) in sub-paragraph (4) for the words from " except" to the end there shall be substituted " except that where a whole-year licence falls to be amended in pursuance of a late application, that is to say an application made after 31st March immediately preceding 30th September on which it is due to expire—
 - (i) in the case of a licence which has not previously been amended in pursuance of a late application, the additional duty shall be eleven-twentieths of that difference, and
 - (ii) in any other case, the additional duty shall be the difference between the additional duty that would be payable if no previous late applications had been made and the additional duty paid on any such applications."
- 12 In paragraph 9 of that Schedule—
- (a) in sub-paragraph (1) for the words " an ordinary " there shall be substituted the word " a " , and
 - (b) in sub-paragraph (2), the word " either " , sub-paragraph (b), and the word " or " immediately preceding that sub-paragraph, shall be omitted.
- 13 In paragraph 12 of that Schedule for the words "or at the higher rate or, as the case may be, as penny machines " there shall be substituted the words " the higher rate, the peak rate or, as the case may be, as being penny machines " .

PART II

THE MISCELLANEOUS TRANSFERRED EXCISE DUTIES ACT (NORTHERN IRELAND) 1972

- 14 In section 43(3) there shall be omitted—
- (a) the words " (a) in the case of a licence chargeable under section 44 or 45 " ; and
 - (b) paragraph (b) together with the word "or" immediately preceding it.
- 15 (1) In subsection (1) of section 44 the words " other than gaming machine licences to which section 45 applies " shall be omitted.

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(2) In subsection (2) of that section for the words " or the higher " there shall be substituted the words " the higher or the peak ".

(3) For subsection (3) of that section there shall be substituted the following—

“(3) Subject to subsection (3A) below, a machine is chargeable—

- (a) at the lower rate, if it can only be played by the insertion into the machine of a coin or coins of a denomination, or aggregate denomination, not exceeding £0.02 ;
- (b) at the higher rate if it can only be played by the insertion into the machine of a coin or coins of a denomination, or aggregate denomination, exceeding £0.02 but not exceeding £0.05 ; and
- (c) at the peak rate, in any other case.

(3A) Where the game playable by means of a machine can be played more than once for the insertion of a coin or coins of a denomination, or aggregate denomination, exceeding a sum mentioned in subsection (3) above, the machine is to be treated for the purposes of that subsection, as if it can only be played by the insertion into it of a coin of a denomination not exceeding that sum if in effect the amount payable to play the game once does not exceed that sum.”

(4) For the Table in subsection (4) there shall be substituted the following—

“TABLE

Description of machines authorised by the licence	Number of machines of that description so authorised	Duty on whole-year licence
Chargeable at the lower rate.	One or more machines	£50 per machine.
Chargeable at the higher rate.	One machine	£100.
	Two or more machines	£100 plus £200 per machine in excess of one.
Chargeable at the peak rate.	One or more machines	£300 per machine.”

(5) In subsection (6)—

(a) in paragraph (a) for " £0.01 ½ " there shall be substituted " £0.02 "; and

(b) after paragraph (a) there shall be inserted the following—

“(aa) in the case of a machine which a player cannot play except by the insertion into the machine of a coin or coins of a denomination, or aggregate denomination, exceeding £0.02 but not exceeding £0.05, shall be treated as a number of machines, all chargeable at the higher rate, equal to that number of persons ; and ””

and in paragraph (b) for the word " higher" there shall be substituted the word " peak ".

16 Section 45 shall be omitted.

17 (1) In subsection (1) of section 46 there shall be omitted the words from the beginning to " applies " and there shall be inserted at the end the words " or the value or aggregate

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- value of the benefits in money or money's worth which any player who is successful in a single game played by means of the machine may receive cannot exceed £0.10".
- (2) In subsection (2) of that section the words " in the case of a gaming machine licence to which section 44 applies " shall be omitted and for the words " one of the two rates " there shall be substituted the words " one rate " and for the words " the other rate " the words " another rate ".
- 18 (1) In subsection (1) of section 47 there shall be substituted for the words " the lower rate " the words " one rate " and for the words " the higher rate " the words " another rate ".
- (2) For subsection (2) of that section there shall be substituted the following—
- “(2) In accordance with subsection (1), in ascertaining whether there has been a contravention of section 46 in respect of any premises, two or more gaming machine licences may be taken into account only if each relates to machines chargeable at the same rate and is the only licence relating to machines chargeable at that rate.”
- (3) In subsection (3) of that section there shall be substituted for the words " the lower rate or the higher rate " the words "one rate" and for the words " the other rate " the words " another rate ".
- (4) Subsection (4) of that section shall be omitted.
- 19 Part II of Schedule 3 shall be omitted.
- 20 In paragraph 9(2) of that Schedule the words " an eight-month licence shall expire at die end of 31st October next after that date ; " shall be omitted.
- 21 (1) For sub-paragraph (2) of paragraph 11 of that Schedule there shall be substituted the following—
- “(2) A licence may be amended under this paragraph
- (a) so as to increase the number of machines which are authorised by the licence for the premises in question (whether chargeable at one or more of the rates) ; or
- (b) so as to increase the number of machines chargeable at any rate and reduce the number chargeable at another rate; or
- (c) in the case of a licence which authorises only machines chargeable at one rate, so as to authorise a specified number of machines chargeable at another rate.”.
- (2) In sub-paragraph (3) of that paragraph for the words from " except " to the end there shall be substituted " except that where a whole-year licence falls to be amended in pursuance of a late application, that is to say an application made after 31st March immediately preceding 30th September on which it is due to expire—
- (i) in the case of a licence which has not previously been amended in pursuance of a late application, the additional duty shall be eleven-twentieths of that difference, and
- (ii) in any other case, the additional duty shall be the difference between the additional duty that would be payable if no previous late applications had been made and the additional duty paid on any such applications. ".
- 22 In paragraph 13 of that Schedule for sub-paragraphs (a) and (b) there shall be substituted the words " at the lower rate, the higher rate, the peak rate or as being machines for the provision of which such a licence is not required ".

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SCHEDULE 7

Section 40.

STOCK RELIEF PART I

PART I

DEFERMENT OF RECOVERY CHARGES

Right of deferment

- 1 (1) Where a person is liable to a charge under paragraph 2(1) or 10(1) of Schedule 5 to the Finance Act 1976 (charges by way of recovery of stock relief) in respect of any period of account (hereafter referred to as "the period of charge") he may, subject to the provisions of this Part of this Schedule, elect that so much (if any) of the charge as is eligible for deferment under those provisions shall be deferred to the next period of account.
- (2) Subject to sub-paragraph (3) below, the amount of a charge eligible for deferment is so much of it as exceeds 5 per cent, of the opening stock value in the period of charge.
- (3) Where the amount that would be eligible for deferment under sub-paragraph (2) above exceeds £100,000 and at the relevant time the person in question was a net debtor in respect of trading stock—
- (a) none of the excess shall be eligible for deferment unless the value of his trading stock at that time exceeded his net indebtedness; and
 - (b) the amount of the excess eligible for deferment shall be reduced by the proportion which his net indebtedness bore to that value.
- (4) The relevant time referred to in sub-paragraph (3) above is—
- (a) the beginning of the period or earliest period of account ending in the financial year 1979 (in the case of a company) or the year 1979-80 (in other cases); or
 - (b) if there is no such period of account, the beginning of the period of account current at the end of that financial year or year of assessment, as the case may be.
- (5) For the purposes of sub-paragraph (3) above a person was at the time there mentioned a net debtor in respect of trading stock if—
- (a) the amount owed by him at that time (whether or not payment had become due) in respect of the trading stock which he then held or had previously sold in the course of the trade or otherwise disposed of, exceeded
 - (b) the amount then owed to him (whether or not payment had become due) in respect of trading stock sold by him in the course of the trade or otherwise disposed of;
- and references to his net indebtedness are to that excess.
- (6) For the purposes of sub-paragraph (5) above there shall be left out of account—
- (a) any amounts owed to the person in question which are allowable as deductions in respect of bad or doubtful debts in computing his profits or gains for the purposes of Case I of Schedule D ; and
 - (b) any amounts of value added tax owed by him to the Commissioners of Customs and Excise or by those Commissioners to him.

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- (7) Subject to sub-paragraph (8) below, no election shall be made by any person in respect of a charge for any period of account (and any election already made shall be treated as of no effect) if—
- (a) he was liable to a charge under the said paragraph 2(1) or 10(1) in respect of the period of account preceding the period of charge; or
 - (b) the period of charge or the next period of account is longer or shorter than twelve months ; or
 - (c) during or at the end of the period of charge or of the preceding or the next period of account—
 - (i) the whole or part of the trade is transferred to or from another person ; or
 - (ii) there is a change in the persons engaged in carrying on the trade.
- (8) Sub-paragraph (7)(b) above applies only where the period of charge or the next period of account ends in or after the financial year 1980 (in the case of a company) or the year 1980-81 (in other cases).

Elections

- 2 Any election under this Part of this Schedule shall be by notice in writing sent to the inspector, in the case of a company, within two years after the end of the period of charge and, in any other case within two years after the end of the year of assessment in which the period of charge ends; and paragraph 19(1) of the said Schedule 5 (partnerships) shall apply to any such election as it applies to a claim under that Schedule.

Effect of deferment

- 3 Where a charge under the provisions of paragraph 2(1) or 10(1) of the said Schedule 5 is deferred under this Part of this Schedule from one period to another, the other provisions of Schedule 5 shall have effect as if it were a charge under paragraph 2(1) or 10(1) in respect of the second period instead of the first but—
- (a) the liability to the deferred charge in the second period shall not be excluded by paragraph 2(2) or 10(2) of that Schedule (final charge on cessation);
 - (b) the amount of unrecovered past relief in any period shall be determined under that Schedule as if the charge had been made in respect of the period from which it is deferred; and
 - (c) references in paragraph 1 above to a charge to which a person is liable in respect of a period of account do not include references to a charge which has been deferred to that period under this Part of this Schedule.

Revocation of election

- 4 (1) Where the profits or gains on which a person has been assessed to income tax for any year of assessment are adjusted under section 115, 117 or 118 of the Taxes Act, then, if the adjustment relates to a year of assessment—
- (a) for which he has become liable to be assessed in respect of a charge deferred pursuant to an election under this Part of this Schedule ; or
 - (b) for which he would have been liable to be assessed in respect of the charge if it had not been so deferred,

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he (or if he has died, his personal representatives) may revoke the election by notice in writing sent to the inspector within one year after the end of the year of assessment in which the adjustment is made.

- (2) Where an election is revoked under this paragraph the said Schedule 5 shall have effect as if the election had not been made and all such assessments or alterations of assessments or repayments of tax may be made as are required to restore the position to what it would have been but for the election.

Interpretation

- 5 Paragraph 27(1) of the said Schedule 5 (application to professions etc.) has effect in relation to any reference in this Part of this Schedule to a trade; and any expression used in this Part of this Schedule which is also used in the said Schedule 5 has the same meaning as in that Schedule.

Commencement

- 6 This Part of this Schedule applies where the period of charge ends in or after the financial year 1979 (in the case of a company) or the year 1979-80 (in other cases).

PART II

DEFINITION OF TRADING STOCK

Exclusion of certain buildings

- 7 In relation to any period of account beginning after 26th March 1980 paragraph 29 of the said Schedule 5 (definition of "trading stock") shall have effect with the substitution in subparagraph (3) for the words " references to development are references to the contraction or substantial reconstruction of buildings on the land in question " of the words "references to development are, in relation to land other than a building, references to the construction or substantial reconstruction of buildings on the land and, in relation to a building, references to its construction or substantial reconstruction ".

Recovery charges

- 8 (1) Where at the relevant time, that is to say, the beginning of the first period of account in relation to which paragraph 7 above applies there is unrecovered past relief attributable to assets which by virtue of that paragraph are disqualified from being trading stock (hereafter referred to as "disqualified stock"), charges by way of recovery of relief shall be made—
- (a) on the first occasion when at the end of that or a subsequent period of account the value of disqualified stock is less than at the relevant time; and
 - (b) on any subsequent occasion when at the end of a period of account the value of disqualified stock is less than on the last occasion on which a charge fell to be made under this sub-paragraph;
- and the amount of any charge under paragraph (a) or (b) above shall be equal to whichever is the lesser of the reduction in question or the amount of unrecovered

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past relief attributable to disqualified stock at the beginning of the period of account in which the reduction took place.

- (2) In relation to unrecovered past relief attributable to disqualified stock—
- (a) the charges under sub-paragraph (1) above shall be instead of those under sub-paragraph (1) of paragraph 2 and subparagraph (1) of paragraph 10 of the said Schedule 5 but shall be treated for the purposes of the other provisions of that Schedule (but not for the purposes of Part I of this Schedule) as if they were charges under those sub-paragraphs;
 - (b) paragraphs 20 and 21 of that Schedule shall not displace the operation of any charge under paragraph 2(2) or 10(2) of that Schedule ; and
 - (c) references in paragraphs 2(3) and 10(3) of the said Schedule 5 to unrecovered past relief shall apply as in the case of other unrecovered past relief.
- (3) Where the unrecovered past relief at the relevant time is attributable partly to disqualified stock and partly to other stock, the part attributable to disqualified stock shall be arrived at by apportioning the unrecovered past relief between the disqualified stock and the other stock in accordance with the respective values of the stock of each kind held at that time.

Interpretation

- 9 Any expression used in this Part of this Schedule which is also used in the said Schedule 5 has the same meaning as in that Schedule.

SCHEDULE 8

Section 43.

SUB-CONTRACTORS IN THE CONSTRUCTION INDUSTRY

- 1 In section 69 of the Finance (No. 2) Act 1975 (deductions on account of tax etc. from payments to certain sub-contractors in construction industry) after subsection (3) there shall be inserted—

“(3A) Paragraph (b) of subsection (1) above also applies to a person carrying on a business at any time if—

- (a) his average annual expenditure on construction operations in the period of three years ending with the end of the last period of account before that time exceeds £250,000, or
- (b) where he was not carrying on the business at the beginning of that period of three years, one-third of his total expenditure on construction operations for the part of that period during which he has been carrying on the business exceeds £250,000 ;

and in this section " period of account" means a period for which an account is made up in relation to the business in question.

- (3B) Where paragraph (b) of subsection (1) above begins to apply to any person in any period of account by virtue of his falling within subsection (3A) above, it shall continue to apply to him until he satisfies the Board that his expenditure on construction operations has been less than £250,000 in each of three successive years beginning in or after that period of account.

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(3C) Where the whole or part of a trade is transferred by a company (" the transferor ") to another company (" the transferee ") and section 252 of the Taxes Act (company reconstructions) has effect in relation to the transfer, then in determining for the purposes of this section the amount of expenditure incurred by the transferee, the whole or, as the case may be, a proportionate part of any expenditure incurred by the transferor at a time before the transfer shall be treated as if it had been incurred at that time by the transferee and where only a part of the trade is transferred the expenditure shall be apportioned in such manner as appears to the Board, or on appeal to the Commissioners, to be just and reasonable.”.

2 In subsection (6) of section 70 of the said Act of 1975 (issue of certificates excepting persons from section 69 of that Act) the words from " other than " onwards (which exclude certain matters from the right of appeal conferred by that subsection) shall be omitted.

3 In subsection (8) of that section (regulations) after the words "subsection (7) above" there shall be inserted the words " or Schedule 12 to this Act ".

4 (1) Paragraph 2 of Part I of Schedule 12 to the said Act of 1975 (condition that for three years ending with his application for a certificate under section 70 the applicant must have been employed in the United Kingdom as the holder of an office or employment or as a person carrying on a trade profession or vocation) shall be amended in accordance with sub-paragraphs (2) and (3) below.

(2) The existing provisions of that paragraph shall become subparagraph (1) and the words in parenthesis shall be omitted.

(3) At the end of that sub-paragraph there shall be inserted the following—

“(2) An applicant who has not fulfilled the condition in sub-paragraph (1) above shall nevertheless be treated as satisfying this condition if—

(a) he satisfies the Board that he has been employed as mentioned in that sub-paragraph throughout a period of three years beginning not more than six years before the date of his application and ending on a date before that date ;

(b) he satisfies the Board either—

(i) that he has not been so employed throughout the whole of the period between those dates, or

(ii) that he has not been so employed during any part of that period other than a part for which he specifies he has been so employed; and

(c) where the applicant states that he has been outside the United Kingdom for the whole or part of the period mentioned in paragraph (b) above, he satisfies the Board of that fact by such evidence as may be prescribed in regulations made by the Board.

(3) The Board may for the purposes of this paragraph treat a person as having been employed as mentioned in sub-paragraph (1) above throughout a period of three years if during a period of three years he has been so employed except for a period or periods not exceeding six months or six months in aggregate.

(4) In this Part of this Schedule " the qualifying period " means—

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- (a) in relation to a person who is within sub-paragraph (2) above, the period starting at the beginning of the last period of three years before his application throughout which he has been employed as mentioned in subparagraph (1) above (or is by virtue of subparagraph (3) above treated as having been so employed) and ending on the date of his application, and
- (b) in the case of any other person, the period of three years ending with the date of his application.”
- 5 Sub-paragraphs (2) and (3) of paragraph 4 above shall apply to paragraph 1 of Part II of that Schedule as they apply to paragraph 2 of Part I substituting in the words inserted by sub-paragraph (3) the word " partner " for the word " applicant" wherever it occurs.
- 6 (1) At the end of paragraph 3 of Part I of that Schedule there shall be inserted the following—
- “(3) An applicant who must satisfy the Board under paragraph 2(2) above that he has been outside the United Kingdom for the whole or part of the period mentioned in paragraph 2(2)(b) must also satisfy them by such evidence as may be prescribed in regulations made by the Board that he has complied with any obligations imposed under the tax laws of any country in which he was living during that period which are comparable to the obligations mentioned in sub-paragraph (1) above.”.
- (2) The same words shall be inserted at the end of paragraph 2 of Part II of that Schedule substituting " paragraph 1(2) " for " paragraph 2(2)" and " partner " for " applicant".
- 7 In paragraph 3(2) of Part I of that Schedule (power of Board to disregard failure to comply with tax obligations if of opinion that the failure ought to be disregarded for the purposes of an application for a certificate) for the words from " of the opinion that" onwards there shall be substituted the words " of the opinion that the failure is minor and technical and does not give reason to doubt that the conditions mentioned in paragraph 7 below will be satisfied "; and the same amendment shall be made in paragraph 2(2) of Parts II, III and IV of that Schedule, substituting for " paragraph 7 " in the words to be inserted in Part II and Part III, the words " paragraph 4 " and " paragraph 5 " respectively.
- 8 Paragraph 6 of Part I, paragraph 4 of Part III and paragraph 5 of Part IV of that Schedule (insurance cover as a condition of obtaining a certificate) shall be omitted.

SCHEDULE 9

Section 44.

AMENDMENTS OF SCHEDULE 16 TO THE FINANCE ACT 1972

- 1 In paragraph 8(1)(a) after the words " its distributable income " there shall be inserted the words " , other than trading income, ".
- 2 For paragraph 9(2) there shall be substituted—
- “(2) In the application of sub-paragraph (1) above to a company which is a trading company or a member of a trading group the trading income shall be disregarded ; and in the application of that sub-paragraph to a trading company the estate income—

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- (a) if it is less than the appropriate fraction of the relevant maximum amount, shall be treated as reduced by one-half of the amount required to make it up to that fraction of the relevant maximum amount; or
- (b) if it is less than the appropriate fraction of the relevant minimum amount, shall be disregarded ;

and the appropriate fraction referred to above shall be that of which the numerator is the amount of the estate income and the denominator is the aggregate of that amount and of the amount of the trading income.”

3 In paragraph 10(2) there shall be inserted at the end the words " and for the purposes of sub-paragraph (ii) above relief under section 254 or 255 shall be treated as having been given first against franked investment income which is not trading income and secondly, so far as it cannot be given as aforesaid, against franked investment income which is trading income. " .

4 For paragraph 10(4) there shall be substituted—

“(4) For the purposes of this Schedule, the " estate or trading income " of a company means income (in this Schedule referred to as " estate income ") which falls within sub-paragraph (4A) and not within sub-paragraph (5) below and income (in this Schedule referred to as "trading income") which falls within sub-paragraph (5) below.

(4A) The income falling within this sub-paragraph is income which is chargeable to tax under Schedule A or Schedule B, and income (other than yearly or other interest) which is chargeable to tax under Schedule D, and which arises from the ownership or occupation of land (including any interest in or right over land) or from the letting furnished of any building or part of a building.”.

5 In paragraph 10(5) after " (5) " there shall be inserted the words " The income falling within this sub-paragraph is income which is not investment income for the purposes of paragraph 11(1) below; and " ; and for the words following paragraph (b) there shall be substituted the words " its income incidental to that trade shall also fall within this sub-paragraph. " .

6 After paragraph 10(8) there shall be inserted—

“(9) In the application of sub-paragraph (8) above to a company which is a trading company or a member of a trading group there shall be substituted for paragraphs (b) and (c)—

- “(b) secondly, so far as it cannot be made under (a) above, from the company's estate income so charged ;
- (c) thirdly, so far as it cannot be made under (a) or (b) above, from the company's trading income so charged.”

7 In paragraph 13 (1)(a) after the words " distributable income " there shall be inserted the words " other than trading income " .

SCHEDULE 10

Section 47.

SAVINGS-RELATED SHARE OPTION SCHEMES

PART I

APPROVAL OF SCHEMES

- 1 (1) On the application of a body corporate (in this Schedule referred to as "the company concerned") which has established a savings-related share option scheme, the Board shall approve the scheme—
 - (a) if they are satisfied that the scheme fulfils the conditions specified in Part II of this Schedule; and
 - (b) unless it appears to them that there are features of the scheme which are neither essential nor reasonably incidental to the purpose of providing for employees and directors benefits in the nature of rights to acquire shares.
- (2) An application under sub-paragraph (1) above shall be made in writing and contain such particulars and be supported by such evidence as the Board may require.
- (3) Where the company concerned has control of another company or companies, the scheme may be expressed to extend to all or any of the companies of which it has control and in this Schedule a scheme which is expressed so to extend is referred to as a " group scheme " and in relation to a group scheme, the expression " participating company " means the company concerned or a company of which the company concerned has control and to which for the time being the scheme is expressed to extend.
- 2 If, at the time the application is pending, the Board have no evidence that the condition set out in paragraph 14 of Part II of this Schedule is satisfied, then, if the other conditions are satisfied, the Board may approve the scheme subject to the remaining condition being satisfied ; and if that condition is not satisfied the approval shall be of no effect.
- 3 (1) If, at any time after the Board have approved a scheme, any of the conditions mentioned in paragraph 1 above ceases to be satisfied or the company concerned fails to provide information requested by the Board under paragraph 25 below the Board may withdraw the approval with effect from that time or from such later time as the Board may specify but where rights obtained under a scheme before the withdrawal of approval from the scheme under this paragraph are exercised after the withdrawal, section 47(1)(b) above shall apply in respect of the exercise as if the scheme were still approved.
- (2) If an alteration is made in the scheme at any time after the Board have approved it, the approval shall not have effect after the date of the alteration unless the Board have approved the alteration.
- 4 If the company concerned is aggrieved by—
 - (a) the failure of the Board—
 - (i) to approve the scheme,
 - (ii) to decide that a condition subject to which the approval has been given is satisfied, or
 - (iii) to approve an alteration in the scheme ; or
 - (b) the withdrawal of approval,

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it may, by notice in writing given to the Board within thirty days from the date on which it is notified of the Board's decision, require the matter to be determined by the Special Commissioners, and the Special Commissioners shall hear and determine the matter in like manner as an appeal.

PART II

CONDITIONS AS TO SCHEMES

General conditions

- 5 - The scheme must provide—
- (a) for directors and employees to obtain rights to acquire shares (in this Schedule referred to as " scheme shares ") which fulfil the conditions specified in paragraphs 15 to 19 below; and
 - (b) for the scheme shares to be paid for with monies not exceeding the amount of repayments made and any interest paid to them under a certified contractual savings scheme, within the meaning of section 415 of the Taxes Act, which has been approved by the Board for the purposes of this Schedule.
- 6 Subject to paragraphs 7 to 10 below, the rights obtained under the scheme must not be capable of being exercised before the bonus date, that is to say the date on which repayments under the certified contractual savings scheme are due ; and for the purposes of this paragraph and paragraph 5 above—
- (a) repayments under a certified contractual savings scheme may be taken as including or as not including a bonus;
 - (b) the time when repayments are due shall be, where repayments are taken as including the maximum bonus, the earliest date on which the maximum bonus is payable and, in any other case, the earliest date on which a bonus is payable under the scheme ; and
 - (c) the question what is to be taken as so included must be required to be determined at the time when rights under the scheme are obtained.
- 7 The scheme must provide that if a person who has obtained rights under the scheme dies before the bonus date the rights must be exercised, if at all, within twelve months after the date of his death and if he dies within six months after the bonus date the rights may be exercised within twelve months after the bonus date
- 8 The scheme must also provide that if a person who has obtained rights under it ceases to hold the office or employment by virtue of which he is eligible to participate in the scheme by reason of injury, disability, redundancy within the meaning of the Employment Protection (Consolidation) Act 1978 or retirement on reaching pensionable age within the meaning of Schedule 20 to the Social Security Act 1975 or any other age at which he is bound to retire in accordance with the terms of his contract of employment, then the rights must be exercised, if at all, within six months of his so ceasing and, if he so ceases for any other reason within three years of obtaining the rights, they may not be exercised at all; and in relation to the case where he so ceases for any other reason more than three years after obtaining the rights the scheme must either provide that the rights may not be exercised or that they must be exercised, if at all, within six months of his so ceasing.

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- 9 The scheme must also provide that where a person who has obtained rights under it continues to hold the office or employment by virtue of which he is eligible to participate in the scheme after the date on which he reaches pensionable age within the meaning of Schedule 20 to the Social Security Act 1975, he may exercise the rights within six months of that date.
- 10 (1) The scheme may also provide that—
- (a) if any person obtains control of a company whose shares are scheme shares as a result of making—
 - (i) a general offer to acquire the whole of the issued ordinary share capital of the company which is made on a condition such that if it is satisfied the person making the offer will have control of the company, or
 - (ii) a general offer to acquire all the shares in the company which are of the same class as the scheme shares, rights obtained under the scheme to acquire shares in the company may be exercised within six months of the time when the person making the offer has obtained control of the company and any condition subject to which the offer is made has been satisfied ;
 - (b) if under section 206 of the Companies Act 1948 or section 197 of the Companies Act (Northern Ireland) 1960 (power to compromise with creditors and members) the court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of a company whose shares are scheme shares or its amalgamation with any other company or companies, rights obtained under the share option scheme to acquire shares in the company may be exercised within six months of the court sanctioning the compromise or arrangement;
 - (c) if any person becomes bound or entitled to acquire shares in a company whose shares are scheme shares under section 209 of the said Act of 1948 or section 200 of the said Act of 1960 (power to acquire shares of shareholders dissenting from schemes or contract approved by majority), rights obtained under the scheme to acquire shares in the company may be exercised at any time when that person remains so bound or entitled ; and
 - (d) if a company whose shares are scheme shares passes a resolution for voluntary winding up, rights obtained under a scheme to acquire shares in the company may be exercised within six months of the passing of the resolution.
- (2) For the purposes of this paragraph a person shall be deemed to have obtained control of a company if he and others acting in concert with him have together obtained control of it.
- 11 Except as provided in paragraph 7 above, rights obtained by a person under the scheme must not be capable—
- (a) of being transferred by him, or
 - (b) of being exercised later than six months after the bonus date.
- 12 No person shall be treated for the purposes of paragraph 8 above as ceasing to hold an office or employment by virtue of which he is eligible to participate in the scheme until he ceases to hold an office or employment in the company concerned or any associated company or company of which the company concerned has control.
- 13 The scheme must provide for a person's contributions under the certified contractual savings scheme to be of such amounts (not exceeding £50 monthly) as to secure as nearly as may be repayment of an amount equal to that for which shares may

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be acquired in pursuance of rights obtained by him under the scheme ; and for this purpose the amount of repayment under the contractual savings scheme shall be determined as mentioned in paragraph 6 above.

- 14 The price at which scheme shares may be acquired by the exercise of a right obtained under the scheme must be stated at the time the right is obtained and must not be manifestly less than 90 per cent, of the market value of shares of the same class at that time or, if the Board and the company agree in writing, at such earlier time or times as may be provided in the agreement, but the scheme may provide for such variation of the price so stated as may be necessary to take account of any variation in the share capital of which the scheme shares form part.

Conditions as to scheme shares

- 15 The scheme shares must form part of the ordinary share capital of—
- (a) the company concerned ; or
 - (b) a company which has control of the company concerned ; or
 - (c) a company which either is or has control of a company which—
 - (i) is a member of a consortium owning either the company concerned or a company having control of that company; and
 - (ii) beneficially owns not less than three-twentieths of the ordinary share capital of the company so owned.
- 16 The scheme shares must be—
- (a) shares of a class quoted on a recognised stock exchange ; or
 - (b) shares in a company which is not under the control of another company; or
 - (c) shares in a company which is under the control of a company (other than a company which is or would if resident in the United Kingdom be a close company within the meaning of section 282 of the Taxes Act) whose shares are quoted on a recognised stock exchange.
- 17 The scheme shares must be—
- (a) fully paid up ; and
 - (b) not redeemable ; and
 - (c) not subject to any restrictions other than restrictions which attach to all shares of the same class.
- 18 In determining for the purposes of paragraph 17(c) above whether scheme shares which are or are to be acquired by any person are subject to any restrictions, there shall be regarded as a restriction attaching to the shares any contract, agreement, arrangement or condition by which his freedom to dispose of the shares or of any interest in them or of the proceeds of their sale or to exercise any right conferred by them is restricted or by which such a disposal or exercise may result in any disadvantages to him or a person connected with him.
- 19 Except where the scheme shares are in a company whose ordinary share capital consists of shares of one class only, the majority of the issued shares of the same class must be held by persons other than—
- (a) persons who acquired their shares in pursuance of a right conferred on them or an opportunity afforded to them as a director or employee of the company concerned or any other company and not in pursuance of an offer to the public ;

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- (b) trustees holding shares on behalf of persons who acquired their beneficial interests in the shares as mentioned in paragraph (a) above ; and
- (c) in a case where the shares fall within sub-paragraph (c) and do not fall within sub-paragraph (a) of paragraph 16 above, companies which have control of the company whose shares are in question or of which that company is an associated company.

Conditions as to persons eligible to participate

- 20 (1) Subject to paragraphs 22 and 23 below every person who—
- (a) is a full-time employee or full-time director of the company concerned or, in the case of a group scheme, a participating company, and
 - (b) has been such an employee or director at all times during a qualifying period, not exceeding five years, and
 - (c) is chargeable to tax in respect of his office or employment under Case I of Schedule E,
- must be eligible to participate in the scheme, that is to say to obtain and exercise rights under it, on similar terms.
- (2) For the purposes of sub-paragraph (1) above, the fact that the rights to be obtained by the persons participating in a scheme vary according to the levels of their remuneration, the length of their service or similar factors shall not be regarded as meaning that they are not eligible to participate in the scheme on similar terms.
- 21 Except as provided in paragraph 8 above, a person must not be eligible to participate in the scheme at any time unless he is at that time a director or employee of the company concerned or, if the scheme is a group scheme, a participating company.
- 22 A person must not be eligible to participate in the scheme in any year of assessment if in that year rights have been obtained by him under another scheme approved under this Schedule and established by the company concerned or by—
- (a) a company which controls or is controlled by that company or which is controlled by a company which also controls that company, or
 - (b) a company which is a member of a consortium owning that company or which is owned in part by that company as a member of a consortium.
- 23 (1) A person must not be eligible to participate in the scheme at any time if at that time he has, or at any time within the preceding twelve months he has had, a material interest in a close company within the meaning of section 282 of the Taxes Act, which is—
- (a) a company the shares of which may be acquired pursuant to the exercise of rights obtained under the scheme ; or
 - (b) a company which has control of such a company or is a member of a consortium which owns such a company.
- (2) In determining whether a company is a close company for the purpose of sub-paragraph (1) above, paragraph (a) of subsection (1) of section 282 of the Taxes Act (exclusion of companies not resident in the United Kingdom) and section 283 of the Taxes Act (exclusion of certain companies with quoted shares) shall be disregarded.

Transitional arrangements

- 24 (1) This paragraph shall apply in any case where the Board are satisfied that—

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- (a) a person has entered into a certified contractual savings scheme within the meaning of section 415 of the Taxes Act before the day appointed for the coming into force of this Schedule ; and
 - (b) he has obtained rights under a scheme established before that day to acquire shares in a company of which he is an employee or director (or a company of which such a company has control) using repayments made under the certified contractual savings scheme.
- (2) Subject to sub-paragraph (3) below, where this paragraph applies repayments and interest paid under the certified contractual savings scheme shall be treated as repayments and interest paid under a scheme approved by the Board for the purposes of this Schedule under paragraph 5(b) above and accordingly may be used for the purchase of shares under a savings-related share option scheme approved under this Schedule.
- (3) The repayments and interest to which sub-paragraph (2) above applies shall not exceed the repayments and interest to which the participant would have been entitled if the terms of the scheme had corresponded to those of a scheme approved by the Board for the purposes of this Schedule under paragraph 5(b) above ; and for the purposes of this paragraph the amount of repayments under the certified contractual savings scheme shall be determined as mentioned in paragraph 6 above.

PART III

SUPPLEMENTARY

Information

- 25 The Board may by notice in writing require any person to furnish them, within such time as the Board may direct (not being less than thirty days), with such information as the Board think necessary for the performance of their functions under this Schedule, and as the person to whom the notice is addressed has or can reasonably obtain, including in particular—
- (a) information to enable the Board to determine whether to approve a scheme or withdraw an approval already given;
 - (b) information in relation to the administration of a scheme and any alteration of the terms of a scheme ; and
 - (c) information to enable the Board to determine the liability to tax, including capital gains tax, of any person who has participated in a scheme.

Interpretation

- 26 (1) In this Schedule—
- " associated company " has the same meaning as in section 302 of the Taxes Act;
 - " bonus date " has the meaning assigned by paragraph 6 above ;
 - " the company concerned " has the meaning assigned by paragraph 1(1) above ;
 - " control " has the same meaning as in section 534 of the Taxes Act;
 - " group scheme " and, in relation to such a scheme, " participating company " have the meaning assigned by paragraph 1 above ;

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" market value " has the same meaning as in Part VIII of the Capital Gains Tax Act 1979 ;

" scheme shares " has the meaning assigned by paragraph 5(a) above ;

" shares " includes stock.

- (2) Subsection (6) of section 285 of the Taxes Act (interest paid to directors and directors' associates) shall have effect, with the substitution of a reference to 25 per cent, for any reference therein to 5 per cent., for the purpose of determining whether a person has or had a material interest in a company.
- (3) Section 303(3) of the Taxes Act (meaning of " associate ") shall have effect—
 - (a) in a case where the scheme in question is a group scheme, with the substitution of a reference to all the participating companies for the first reference to the company in paragraph (ii) of the proviso to that subsection, and
 - (b) with the substitution of a reference to 25 per cent, for the reference in that paragraph to 5 per cent.
- (4) Section 533 of the Taxes Act (connected persons) shall apply for the purposes of this Schedule.
- (5) For the purposes of this Schedule a company is a member of a consortium owning another company if it is one of not more than five companies which between them beneficially own not less than three-quarters of the other company's ordinary share capital and each of which beneficially owns not less than one-twentieth of that capital.

SCHEDULE 11

Section 59(2).

TRUSTEE SAVINGS BANKS

Taxation under Case I of Schedule D

- 1 (1) In section 304(5) of the Taxes Act (meaning of investment company) for the words " but includes any savings bank or other bank for savings " there shall be substituted the words " but (with the exception of a trustee savings bank as defined in section 95(1) of the Trustee Savings Banks Act 1969) includes any savings bank or other bank for savings ".
- (2) This paragraph applies in relation to any accounting period beginning on or after 21st November 1979 (in this Schedule referred to as " the commencement date ").

Investments held on list November 1979

- 2 (1) A trustee savings bank shall be treated as having on the commencement date appropriated as trading stock for the purposes of its trade all investments then held by it which are such that a profit on their sale on or after that date would form part of the trading profits of the bank.
- (2) Any gain or loss accruing to a trustee savings bank on the redemption before 21st November 1986 of an exempt investment held by it on the commencement date shall

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be left out of account in computing its profits, gains or losses under Case I of Schedule D.

- (3) Any gain or loss accruing to a trustee savings bank on a disposal of an exempt investment held by it on the commencement date, not being a gain or loss left out of account under sub-paragraph (2) above, may, if the bank so elects, be computed by reference to the cost of the investment instead of by reference to its market value on that date and, in the case of a loss, without any restriction under section 270(4) of the Taxes Act.
- (4) Any election under sub-paragraph (3) above shall be by notice in writing given to the Board within two years after the commencement date and shall have effect in relation to all exempt investments held by the bank on that date.
- (5) Where a trustee savings bank holds investments which include both exempt investments held by it on the commencement date and other investments of the same class, any investments of that class which are disposed of by the bank shall be treated for the purposes of sub-paragraph (3) above as consisting of the other investments rather than of the exempt investments held on that date.
- (6) In this paragraph references to exempt investments held by a trustee savings bank on the commencement date are to investments on the disposal of which immediately before that date no chargeable gain or allowable loss would have accrued to the bank by virtue of section 67 of the Capital Gains Tax Act 1979 (gilt-edged securities held for more than a year).

Restriction of allowable deductions

- 3 (1) Where for any accounting period of a trustee savings bank which begins on or after the commencement date the bank is exempted from tax in respect of any amount of interest by virtue of section 339(1) of the Taxes Act (exemption for trustee savings bank's income from investments with National Debt Commissioners) the bank's allowable deductions for that period shall be treated for tax purposes as reduced by an amount calculated in accordance with sub-paragraph (2) below.
- (2) The amount referred to above shall be calculated by—
 - (a) multiplying the bank's allowable deductions for the period by a fraction of which the numerator is the gross amount of exempt interest received by the bank in the period and the denominator is the aggregate of the gross amount of interest received by the bank in the period and of the bank's income in the period from dividends and other distributions ; and
 - (b) subtracting from the result an amount equal to 15 per cent, of the gross amount of exempt interest received by the bank in the period.
- (3) In this paragraph "allowable deductions" means the deductions which, apart from this paragraph, would be taken into account for the purpose of computing the bank's profits, gains or losses under Case I of Schedule D for the period in question but excluding any deduction in respect of a loss on the disposal of an investment.
- (4) For the purposes of this paragraph interest on loans made by a trustee savings bank to any of its depositors or customers shall be treated as received by the bank when it is brought to credit by the bank.

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Restriction of charges on income

- 4 Where for any accounting period of a trustee savings bank which begins on or after the commencement date the bank is exempted from tax in respect of any amount of interest by virtue of section 339(1) of the Taxes Act, the charges on income allowed as a deduction from the bank's profits for that period under section 248 of the Taxes Act shall be treated for tax purposes as reduced by an amount calculated by multiplying them by the fraction referred to in paragraph 3(2)(a) above.

Income applied in paying interest to depositors

- 5 (1) In section 339(2) of the Taxes Act (savings bank, including trustee savings bank, entitled to exemption from tax in respect of income applied in paying interest to depositors) for the word " including " there shall be substituted the word " excluding " .
- (2) This paragraph applies in relation to any accounting period beginning, in the case of a trustee savings bank resident in the United Kingdom, on or after the commencement date and, in the case of a trustee savings bank not so resident, on or after 21st November 1983.

Mergers

- 6 (1) Where the business of a trustee savings bank is transferred to another trustee savings bank after the commencement date, those banks shall be treated for the purposes of the Taxes Act as if they were the same person.
- (2) Where the business of a trustee savings bank is transferred to another trustee savings bank after the commencement date—
- (a) any exempt investment which was held on that date by the first bank and was transferred with the business shall be treated for the purposes of subparagraphs (2) to (5) of paragraph 2 above as if it had been held on that date by the second bank but without prejudice to any election already made in respect of the investment by the first bank under subparagraph (3) of that paragraph ; and
 - (b) the cost of the investment shall be taken for the purposes of the said subparagraph (3) as equal to the cost of the investment to the first bank.
- (3) Where the business of a trustee savings bank was transferred to another trustee savings bank before the commencement date the cost of any exempt investment held by the second bank on that date which—
- (a) was transferred to it with the business ; and
 - (b) was an exempt investment on the date of transfer,
- shall be taken for the purposes of subparagraph (3) of paragraph 2 above as equal to the cost of the investment to the first bank.
- (4) Sub-paragraph (6) of paragraph 2 above shall apply to subparagraphs (2) and (3) above as it applies to that paragraph and shall so apply as if the references in it to the commencement date and section 67 of the Act of 1979 included references to the date of transfer in subparagraph (3)(b) above and section 41 of the Finance Act 1969 respectively.

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Accounting periods

- 7 An accounting period of a trustee savings bank shall end immediately before the commencement date if, apart from this paragraph, it would not have done so.

Interpretation

- 8 In this Schedule—
- " the commencement date" has the meaning given in paragraph 1(2) above;
 - "trustee savings bank" has the same meaning as in the Trustee Savings Banks Act 1969.

SCHEDULE 12

Section 72.

TRANSITIONAL RESTRICTION OF FIRST-YEAR ALLOWANCES

PART I

EXPENDITURE INCURRED AFTER 23RD OCTOBER 1979 AND BEFORE 1ST JUNE 1980

- 1 (1) A first-year allowance in respect of expenditure on the provision of machinery or plant for leasing, whether in the course of a trade or otherwise, shall be of an amount equal to 25 per cent, of the expenditure in respect of which it is made if—
- (a) this Part of this Schedule applies to the machinery or plant; and
 - (b) the machinery or plant is at any time in the requisite period used for the purpose of being leased under a finance lease to a person who is not resident in the United Kingdom and does not use the machinery or plant for the purposes of a trade carried on there or for earning profits or gains chargeable to tax by virtue of section 38(4) of the Finance Act 1973.
- (2) Paragraph 8 of Schedule 8 to the Finance Act 1971 (special rules for ships) shall not apply in relation to a first-year allowance the amount of which is restricted by this paragraph.
- 2 The machinery or plant in relation to which section 44 of the said Act of 1971 (writing-down allowances and balancing adjustments) has effect in accordance with section 65 of this Act shall include machinery or plant in respect of which the amount of a first-year allowance is restricted by paragraph 1 above but subsection (5) of the said section 65 shall not apply in relation to any disposal of such machinery or plant before 18th April 1980.
- 3 Section 66 of this Act shall apply also where—
- (a) the amount of a first-year allowance in respect of expenditure on the provision of any machinery or plant has been determined otherwise than in accordance with paragraph 1 above; and
 - (b) the machinery or plant is at any time in the requisite period used as mentioned in sub-paragraph (1)(b) of that paragraph ;
- and where that section applies by virtue of this paragraph subsection (2)(b) of that section shall have effect as if the allowances there mentioned were the maximum first-year allowance and writing-down allowance or allowances that could have

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been made in respect of the expenditure if the amount of the first-year allowance had been determined in accordance with paragraph 1 above.

- 4 (1) Where a person other than a company has claimed a first-year allowance in respect of machinery or plant to which this Part of this Schedule applies, or a deduction on account of such an allowance has been made in computing profits in respect of which a return has been made by a company, then, if the amount of the allowance was determined otherwise than in accordance with paragraph 1 above and the machinery or plant in question is at any time in the requisite period used as mentioned in subparagraph (1)(b) of that paragraph, the person to whom it then belongs shall give written notice of that fact to the inspector, specifying the use to which the machinery or plant has been put, and, subject to sub-paragraph (2) below, any such notice shall—
- (a) be given within three months after the end of the chargeable period or its basis period in which the machinery or plant is first used as aforesaid ; and
 - (b) relate to all the items of machinery or plant (if more than one) in respect of which that person is required to give a notice under this sub-paragraph in respect of that period.
- (2) If at the end of the three months mentioned in paragraph (a) of sub-paragraph (1) above the person concerned does not know and cannot reasonably be expected to know that any item of machinery or plant in respect of which he is required to give a notice under that sub-paragraph has been used as mentioned in paragraph 1(1)(b) above he shall in respect of that item give the notice within thirty days of his coming to know that it has been so used.
- (3) Where a first-year allowance has been made in respect of any expenditure the inspector may by notice in writing require—
- (a) any person to whom the machinery or plant belongs or has belonged, or who is or has been in possession of it under a lease, during the requisite period ; and
 - (b) the personal representatives of any such person,
- to furnish him, within such period (not being less than thirty days) as may be specified in the notice, with such information as he may require and the person to whom the notice is addressed has or can reasonably obtain about the leasing of the machinery or plant or the use to which it is being or has been put.
- 5 (1) Subject to sub-paragraph (2) below, a lease is a finance lease for the purposes of this Part of this Schedule if—
- (a) it is for a term which may be expected to cover not less than 75 per cent, of the remaining useful life of the machinery or plant after the date on which it was first brought into use by the lessor; or
 - (b) it provides for the whole or a substantial part of the benefit of the value of the machinery or plant when it is sold by the lessor to accrue directly or indirectly to a person other than the lessor or a person who is connected with him; or
 - (c) it provides for the renewal or continuation of the lease for a further period for a consideration which is materially less than what would be regarded, at the time when the lease is granted, as the open market rental for that further period.
- (2) A ship is not leased under a finance lease by reason of being let on charter in the course of a trade which consists of or includes operating ships if —
- (a) the person carrying on the trade is resident in the United Kingdom or carries on the trade there ; and

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- (b) that person is responsible as principal (or appoints another person to be responsible in his stead) for navigating and managing the ship throughout the period of the charter and for defraying all expenses in connection with the ship throughout that period or substantially all such expenses other than those directly incidental to a particular voyage or to the employment of the ship during that period.
- (3) In determining under sub-paragraph (1) above whether a lease is a finance lease there may be treated as part of the lease any arrangement or agreement made with respect to the leased asset, or in connection with the lease, by the lessor or lessee or by any person who is connected with either of them.
- 6 (1) This Part of this Schedule applies to machinery or plant which—
 - (a) was manufactured or assembled outside the United Kingdom ; or
 - (b) was manufactured or assembled in the United Kingdom but not less than 25 per cent, of the cost of which (exclusive of value added tax) to the lessor is attributable to work done outside the United Kingdom in, or in connection with, its manufacture or assembly or to components manufactured or assembled outside the United Kingdom.
- (2) Section 50(6) of the Finance Act 1971 (references to machinery or plant to include references to parts of machinery or plant) shall not be construed as enabling sub-paragraph (1) above to be applied separately to different parts of any item of machinery or plant acquired as a single unit.

PART II

EXPENDITURE INCURRED AFTER 31ST MAY 1980 AND BEFORE 1ST JUNE 1986

- 7 (1) Section 64 of this Act does not preclude the making of a first-year allowance in respect of expenditure on the provision of a television set if the expenditure is incurred and the set is delivered to the person incurring the expenditure before the end of the transitional period.
- (2) In this Part of this Schedule " the transitional period " means—
 - (a) in relation to expenditure on the provision of a television set other than a viewdata receiver, the period of four years beginning with 1st June 1980 ;
 - (b) in relation to expenditure on the provision of a viewdata receiver, the period of six years beginning with that date.
- (3) In this Part of this Schedule " a viewdata receiver " means a television set constructed for displaying information received by means of a telephone land-line connection in response to a request for specified information communicated by those means to a computer data bank ; and a television set shall not be regarded as a viewdata receiver by reason only of being constructed for receiving teletext transmissions, that it to say, transmissions intended for general reception and consisting of a succession of visual displays (with or without accompanying sound) each capable of being selected and held for separate viewing or other use.
- 8 Where section 64 of this Act would, apart from paragraph 7 above, have precluded the making of a first-year allowance in respect of any expenditure, the first-year allowance in respect of that expenditure shall—

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- (a) if the person who incurs the expenditure has the set delivered to him in the penultimate year of the transitional period, be of an amount equal to 75 per cent, of the expenditure ;
 - (b) if that person has the set delivered to him in the last year of that period, be of an amount equal to 50 per cent, of the expenditure.
- 9 The machinery or plant in relation to which section 44 of the Finance Act 1971 (writing-down allowances and balancing adjustments) has effect in accordance with section 65 of this Act shall include any television set in respect of which the amount of a first-year allowance is determined in accordance with paragraph 8 above.
- 10 Where section 66 of this Act has effect in relation to expenditure incurred on the provision of a television set which the person who incurs the expenditure has delivered to him in the last two years of the transitional period subsection (2)(b) of that section shall have effect as if the allowances there mentioned were the maximum first-year allowance and the writing-down allowance or allowances that could have been made in respect of the expenditure if the amount of the first-year allowance had been determined in accordance with paragraph 8 above.
- 11 Section 67 of this Act applies where the claim or deduction referred to in subsection (1) of that section relates to a first-year allowance in respect of a television set which the person who incurs the expenditure has delivered to him in the last two years of the transitional period and the amount of which falls to be determined otherwise than in accordance with paragraph 8 above.

SCHEDULE 13

Sections 74 and 75.

INDUSTRIAL AND COMMERCIAL BUILDINGS

PART I

ENTERPRISE ZONES AND SMALL WORKSHOPS

Initial allowances

- 1 In section 1(2) of the Capital Allowances Act 1968 for the reference to one half of the capital expenditure there shall be substituted a reference to the whole of that expenditure.
- 2 A person making a claim by virtue of the said section 1(2) (modified by paragraph 1 above) as it applies for income tax purposes may require the initial allowance to be reduced to a specified amount; and a company may by notice in writing given to the inspector not later than two years after the end of the chargeable period for which the allowance falls to be made disclaim the initial allowance or require it to be reduced to a specified amount.

Writing-down allowances

- 3 In section 2(2) of the said Act of 1968 for the references to one twenty-fifth of the expenditure there shall be substituted references to one quarter of the expenditure.

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PART II

ENTERPRISE ZONES

Use as a qualifying building or structure

- 4 For the purposes of sections 2(1)(b) and (3) and 3(1), of the proviso to section 3(4), of sections 4(3) and (5) and of section 12(1) and (2) of the said Act of 1968 a building or structure of any description (including a qualifying hotel) in relation to which Chapter I of Part I of that Act has effect in accordance with section 74 of this Act shall be regarded as continuing to be, or to be used as, a building or structure of that description notwithstanding that it has become a building or structure of another such description.

Definitions

- 5 None of the provisions of section 7 of the said Act of 1968 except subsection (4) shall be construed as applying by virtue of section 74 of this Act to a qualifying hotel or a commercial building or structure.

SCHEDULE 14

Section 85(1).

RATES OF CAPITAL TRANSFER TAX

FIRST TABLE

Portion of value		Rate of tax
Lower limit	Upper limit	Per cent.
£	£	Per cent.
0	50,000	Nil
50,000	60,000	30
60,000	70,000	35
70,000	90,000	40
90,000	110,000	45
110,000	130,000	50
130,000	160,000	55
160,000	510,000	60
510,000	1,010,000	65
1,010,000	2,010,000	70
2,010,000	—	75

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SECOND TABLE

Portion of value		Rate of tax
Lower limit	Upper limit	Per cent.
£	£	Per cent.
0	50,000	Nil
50,000	60,000	15
60,000	70,000	17 ½
70,000	90,000	20
90,000	110,000	22 ½
110,000	130,000	27 ½
130,000	160,000	35
160,000	210,000	42 ½
210,000	260,000	50
260,000	310,000	55
310,000	510,000	60
510,000	1,010,000	65
1,010,000	2,010,000	70
2,010,000	—	75

SCHEDULE 15

Section 85(3).

REDUCTION OF CAPITAL TRANSFER TAX : TRANSITIONAL PROVISIONS

Interpretation

- 1 In this Schedule—
- (a) references to a reduction are to a reduction of tax by the substitution of new Tables in section 37(3) of the Finance Act 1975 ;
 - (b) references to something happening before or after a reduction are to its happening before or, as the case may be, on or after the date on which the Tables giving effect to the reduction come into force.

Death within three years of chargeable transfer

- 2 Where a person who has made a chargeable transfer before a reduction dies after that reduction (or after that and one or more subsequent reductions) and within three years of the transfer, additional tax shall be chargeable by reason of his death only if, and to the extent that, it would have been so chargeable if the first of the Tables in section 37(3) as substituted by that reduction (or by the most recent of those reductions) had applied to that transfer.

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Capital distribution following chargeable transfer

- 3 Where the rate of tax applicable to a capital distribution made after a reduction falls to be determined under sub-paragraph (2) of paragraph 7 of Schedule 5 to the said Act of 1975 by reference to a relevant transfer made before that reduction (or before that and one or more previous reductions), the amount of tax referred to in paragraph (a) of that sub-paragraph shall be calculated as if the second of the Tables in section 37(3) as substituted by the reduction (or by the most recent of those reductions) had applied to that transfer.

Disposal of trees etc. following exemption on death

- 4 Where the value of any trees or underwood has been left out of account under Schedule 9 to the said Act of 1975 in determining the value transferred by the chargeable transfer made on a death before a reduction and tax is chargeable under paragraph 2 of that Schedule on a disposal of the trees or underwood after that reduction (or after that and one or more subsequent reductions) the rate or rates mentioned in paragraph 3 of that Schedule shall be determined as if the first of the Tables in section 37(3) as substituted by that reduction (or by the most recent of those reductions) had applied to that transfer.

Conditionally exempt transfers

- 5 Where tax is chargeable under section 78 of the Finance Act 1976 (works of art etc.) by reason of a chargeable event occurring after a reduction and the rate or rates at which it is charged fall to be determined under the provisions of section 79(1)(b) (ii) or 81(4)(b) of that Act by reference to a death which occurred, or a settlement which ceased to exist, before that reduction (or before that and one or more previous reductions) those provisions shall apply as if the Tables in section 37(3) as substituted by that reduction had been in force at the time of the death or when the settlement ceased to exist.

Maintenance funds

- 6 Where tax is chargeable under section 89 of this Act on any occasion after a reduction and the rate or rates at which it is charged fall to be determined under the provisions of Schedule 16 to this Act by reference to a death which occurred, or a settlement which ceased to exist, before that reduction (or before that and one or more previous reductions) those provisions shall apply as if the Tables in section 37(3) as substituted by that reduction had been in force at the time of the death or when the settlement ceased to exist.

Mutual transfers

- 7 Any question whether any, and if so what, tax is repayable or ceases to be payable by virtue of subsection (1)(a) of section 87 of the said Act of 1976 (mutual transfers) in a case where—
- (a) the donor's transfer was before a reduction ; and
 - (b) the donee's transfer is after that reduction (or after that and one or more subsequent reductions),

shall be determined as if the Tables in section 37(3) as substituted by that reduction (or by the most recent of those reductions) had applied to the donor's transfer ; but this paragraph shall not be construed as affecting the amount of tax which,

under subsection (3) of that section, falls to be taken into account in calculating the cancelled value.

Transfers reported late

- 8 Where a reduction is expressed to apply to chargeable transfers made on or after a particular date it shall not be taken to apply to any chargeable transfer which by virtue of section 114(2) of the said Act of 1976 (transfers reported late) is treated as made on or after that date but was in fact made before it

SCHEDULE 16

Section 89.

MAINTENANCE FUNDS : CHARGE OF TAX

PART I

RATES OF TAX

Normal rates

- 1 (1) Subject to the provisions of this Schedule, the rate or rates at which tax is chargeable on any amount under section 89 of this Act (" the principal section ") shall be—
- (a) if the settlor is alive, the rate or rates that would be applicable to that amount under the second Table in section 37 of the Finance Act 1975 if it were the value transferred by a chargeable transfer made by him on the occasion on which the tax becomes chargeable ;
 - (b) if the settlor is dead, the rate or rates that would have applied to that amount under the appropriate Table in that section if it had been added to the value transferred on his death and had formed the highest part of that value.
- (2) For the purposes of sub-paragraph (1)(b) above the appropriate Table is, if the settlement was made on death, the first Table and, if not, the second.

Property transferred tax-free from another maintenance fund

- 2 (1) This paragraph applies where in the case of any settlement (" the current settlement") tax is chargeable under the principal section in respect of property which—
- (a) was previously comprised in another settlement; and
 - (b) ceased to be comprised in that settlement and became comprised in the current settlement in circumstances such that by virtue of subsection (4)(d) of that section there was no charge to tax by reference to its value.
- (2) If the tax is chargeable by reason of the property being applied for the benefit of or devolving on the settlor or the settlor's spouse, widow or widower, references in paragraph 1 above to the settlor shall be construed as references to either—
- (a) the person who was the settlor in relation to the settlement referred to in sub-paragraph (1)(a) above ; or

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- (b) if the Board so determine, any other person selected by them who was the settlor in relation to any settlement in which the property was comprised at any time in the last thirty years.
- (3) If the tax is chargeable by reason of the property being applied or devolving otherwise than as mentioned in sub-paragraph (2) above, references in paragraph 1 above to the settlor shall, if the Board so determine, be construed as references to any person selected by them who was the settlor in relation to any settlement in which the property was comprised at any time in the last thirty years.
- (4) If at any time in the last thirty years the property ceased to be comprised in a settlement (" the original settlement ") and became comprised in another settlement other than the current settlement in circumstances such as are referred to in paragraph 3(1)(b) below, the Board shall not under sub-paragraph (2)(b) or (3) above select the person who was the settlor in relation to the original settlement but may direct that paragraph 1 above shall not apply and that the rate or rates at which tax is chargeable on the amount in question shall be those referred to in sub-paragraph (2) (a) or (b) of paragraph 3 below, taking the reference to the settlement referred to in sub-paragraph (1)(a) of that paragraph as a reference to the original settlement.

Property transferred tax-free from discretionary trust

- 3 (1) This paragraph applies where in the case of any settlement (" the current settlement") tax is chargeable under the principal section in respect of property which—
 - (a) was previously comprised in another settlement; and
 - (b) ceased to be comprised in that settlement and became comprised in the current settlement in circumstances such that by virtue of subsection (1) of section 90 of this Act there was no charge to tax by reference to its value or there was a reduced charge to tax by virtue of subsection (3) of that section.
- (2) If the tax is chargeable by reason of the property being applied for the benefit of or devolving on the settlor or the settlor's spouse, widow or widower paragraph 1 above shall not apply and the rate or rates at which the tax is charged on the amount in question shall be—
 - (a) if the settlement referred to in sub-paragraph (1)(a) above is still in existence at the time when the tax is chargeable, the rate or rates that would be applicable (under paragraph 7 or, as the case may be, paragraph 8 of Schedule 5 to the Finance Act 1975) to that amount if a capital distribution of that amount were made at that time;
 - (b) if that settlement has then ceased to exist—
 - (i) subject to sub-paragraph (ii) below, the rate or rates that would be applicable as mentioned in paragraph (a) above but by reference to a capital distribution made on the occasion on which the settlement ceased to exist;
 - (ii) if a capital distribution was made or treated as made on that occasion, the rate or rates that would have been applicable to that amount if it had been included in the amount of that distribution and had formed the highest part of it.

PART II

SUBSEQUENT CHARGEABLE TRANSFERS, CAPITAL DISTRIBUTIONS, ETC

- 4 Where tax has become chargeable under the principal section on any occasion at a rate or rates determined in accordance with paragraph 1 or 2 above by reference to any settlor, the rate or rates of tax applicable to any subsequent chargeable transfer made by that settlor shall be determined as if the amount on which tax has become chargeable as aforesaid were value transferred by a chargeable transfer made by him on that occasion.
- 5 Where the rate or rates at which tax is charged on any amount on any occasion under—
- (a) the principal section ; or
 - (b) section 78 of the Finance Act 1976 (conditionally exempt transfers),
- are determined by reference to the value transferred on a person's death, the rate or rates at which tax is charged by reference to that value on a subsequent occasion under the principal section (or under the said section 78 if tax was charged under the principal section on the previous occasion) shall be determined as if that value were increased by that amount.
- 6 Where tax has become chargeable under the principal section on any occasion at a rate or rates determined in accordance with paragraph 3(2) above by reference to any settlement—
- (a) the rate or rates applicable to any subsequent capital distribution out of the property comprised in that settlement shall be determined as if the amount on which tax has become chargeable had been the amount of a distribution payment made at the time when the tax became chargeable; and
 - (b) where the settlement has ceased to exist and the tax chargeable under the principal section on a subsequent occasion falls to be calculated in accordance with sub-paragraph (i) or (ii) of paragraph 3(2)(b) above the said sub-paragraph (i) or (ii) shall have effect as if the amount of the capital distribution mentioned in that paragraph were increased by the amount on which tax has become chargeable on the previous occasion.

SCHEDULE 17

Section 106.

TRANSFERS OF INTERESTS IN OIL FIELDS

PART I

PRELIMINARY

Interpretation

- 1 (1) For the purposes of this Schedule a participator in an oil field transfers the whole or part of his interest in the field whenever as a result of a transaction or event other than—
- (a) the making of an agreement or arrangement of the kind mentioned in paragraph 5 of Schedule 3 to the Oil Taxation Act 1975 ; or

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(b) a re-determination under a unitisation agreement,
the whole or part of his share in the oil to be won and saved from the field becomes the share or part of the share of another person who is or becomes a participator in the field.

- (2) In sub-paragraph (1) above a "unitisation agreement" means an agreement for the exploitation of—
- (a) an oil field falling within two or more licensed areas; or
 - (b) any such area as is mentioned in subsection (1)(a) of section 107 of this Act, and a "re-determination" means, in a case within paragraph (a) above, a re-determination of the apportionment of oil from the field as between the different licensed areas and, in a case within paragraph (b) above, a re-determination of the apportionment mentioned in subsection (1)(b) of that section.
- (3) In this Schedule "the old participator" means the participator whose interest is wholly or partly transferred, "the new participator" means the person to whom it is transferred and "the transfer period" and "the transfer year" mean respectively the chargeable period and the calendar year in which the transfer takes place.

- 2 This Schedule shall be construed as one with Part I of the said Act of 1975, and any reference in this Schedule to a section or Schedule not otherwise identified is a reference to that section or Schedule of that Act.

Notice of transfer

- 3 (1) The old and new participators shall within two months after the end of the transfer period deliver to the Board a notice in such form and containing such particulars with respect to the transfer as the Board may prescribe.
- (2) Where as a result of the same transaction or event—
- (a) the whole or part of the interest of two or more persons in an oil field becomes the interest or part of the interest of another person; or
 - (b) parts of a participator's interest in an oil field are transferred to two or more other persons,
- a single notice relating to all the transfers shall be given under this paragraph by all the old participators and new participators, and in relation to any such notice references in paragraphs 4 and 5 below to the old and new participators shall be construed accordingly.

Exclusion of transfer rules

- 4 (1) Parts II and III of this Schedule shall not apply in relation to a transfer if the old and new participators make an application in that behalf in the notice under paragraph 3 above and the Board consider that those provisions would not materially affect the total tax chargeable in respect of the field.
- (2) The Board shall give notice of their decision under this paragraph to the old and new participators.

Partial transfers

- 5 (1) Where the transfer is of part of the old participator's interest in the field the notice under paragraph 3 above shall state what the old and new participators propose

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should be the corresponding part of the amounts to be transferred to the new participator under paragraphs 6, 7 and 8 below and of the old participator's share of oil to be treated as that of the new participator under paragraph 9 below; and subject to the following provisions of this paragraph, the corresponding part shall for the purposes of those provisions be taken to be such part as is determined by the Board and specified in a notice given to the old and new participators.

- (2) If the corresponding part determined by the Board differs from that proposed by the old and new participators they or any of them may by notice in writing given to the Board not more than three months after the notice given by the Board under sub-paragraph (1) above appeal to the Special Commissioners; but the bringing of an appeal shall not affect the operation of the notice given by the Board.
- (3) The old participator or the new participator shall, whether or not himself the appellant, be entitled to appear and be heard on the appeal and in any proceedings arising out of it.
- (4) An appeal may be abandoned by notice in writing to the Board ; and if before an appeal is determined the old and new participators agree with the Board on what should be the corresponding part referred to above the Board's notice under subsection (1) above shall have effect as if that were the part specified in it.
- (5) Where the corresponding part referred to above as specified in the Board's notice under sub-paragraph (1) is varied on appeal, the Board's notice shall have effect as if the varied part had been specified in it; and all such assessments or determinations or adjustments shall be made as are necessary in consequence of the variation.

PART II

TRANSFER OF OLD PARTICIPATOR'S EXPENDITURE RELIEF, LOSSES AND EXEMPTIONS

Unused expenditure relief

- 6 (1) There shall be transferred to the new participator the whole or, if the transfer is of part of the old participator's interest in the field, a corresponding part of any amount which—
 - (a) would, apart from this paragraph, fall to be taken into account under section 2(9)(b) in computing the assessable profit or allowable loss accruing to the old participator from the field in the transfer period or a later chargeable period; and
 - (b) is attributable to expenditure allowed to the old participator under Schedule 5 in accordance with his interest in the field before the transfer.
- (2) If the whole of the old participator's interest in the field is transferred in the transfer period (whether to one new participator or partly to one and partly to another or others) there shall be transferred to the new participator the whole or, as the case may be, to each of them a corresponding part, of any amount which—
 - (a) would, apart from this paragraph, fall to be taken into account under section 2(9)(c) in computing the assessable profit or allowable loss accruing to; the old participator from the field in the transfer period or a later chargeable period; and
 - (b) is attributable to expenditure incurred by the old participator before the transfer and allowed to him under Schedule 6.

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- (3) Any amount transferred to the new participator under this paragraph shall, instead of being taken into account as mentioned in sub-paragraph (1)(a) or (2)(a) above, be taken into account in computing the assessable profit or allowable loss accruing to the new participator from the field.

Unused losses

- 7 (1) There shall be transferred to the new participator the whole or, if the transfer is of part of the old participator's interest in the field, a corresponding part of any loss which the Board have determined under Schedule 2 has accrued to the old participator from the field in any chargeable period before the transfer period to the extent that it has not been relieved against assessable profits accruing to him in the transfer period or an earlier chargeable period.
- (2) Any amount of a loss transferred to the new participator under this paragraph may be relieved under section 7 against assessable profits accruing to the new participator in the transfer period or a later chargeable period and shall not be set off against assessable profits of the old participator.

Accumulated capital expenditure

- 8 (1) There shall be transferred to the new participator the whole or, if the transfer is of part of the old participator's interest in the field, a corresponding part of the amount which under section 9(3) is the old participator's accumulated capital expenditure at the end of the last calendar year before the transfer year or, if the transfer is not in the first chargeable period in the transfer year, the amount which under section 9(3) would have been the old participator's accumulated capital expenditure at the end of that chargeable period if it had been a calendar year.
- (2) Subject to paragraph 18 below, any amount transferred under this paragraph shall be treated for the purposes of section 9(3) as, or as part of, the new participator's accumulated capital expenditure at the end of the transfer year and later calendar years and not as, or as part of, the old participator's accumulated capital expenditure at the end of any such year

Excluded oil

- 9 For the purpose of determining under section 10(1)(b) what oil is to be disregarded in computing a participator's gross profit or loss attributable to oil won from the field after the transfer there shall be treated as if it were the new participator's, and not the old participator's, the whole or, if the transfer is of part of the old participator's interest in the field, a corresponding part of the old participator's share of oil won and saved from the field before the transfer.

Successive transfers

- 10 (1) Where the old participator transfers the whole or part of his interest in a field in which he has himself acquired an interest by a previous transfer, the amounts to be taken into account in determining what is to be transferred to the new participator under paragraphs 6, 7 and 8 above and what is to be the share of oil treated as the new participator's under paragraph 9 above shall include—
- (a) any amount which falls to be transferred to the old participator under paragraph 6 or 7 above by reference to the previous transfer and has not been

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taken into account or relieved in relation to him under paragraph 6(3) or 7(2) above; and

- (b) any amount or share which falls to be transferred to the old participator or treated as his under paragraph 8 or 9 above by reference to the previous transfer.

- (2) Where the old participator makes successive transfers of parts of his interest, the amounts to be transferred to the new participator under paragraph 6, 7 and 8 above and the share of oil to be treated as the new participator's under paragraph 9 above by reference to each transfer shall be that amount or share after deducting any of it which falls to be so transferred or treated by reference to a previous transfer.

PART III

OTHER RULES

Provisional relief for expenditure

- 11 Where at the end of the transfer period the old participator has no interest in the field—
- (a) the assessable profit or allowable loss accruing to him from the field in the transfer period shall be computed as if—
- (i) the amount referred to in section 2(8)(b) were increased by any amount taken into account under section 2(9)(a) in computing the assessable profit or allowable loss accruing to him from the field in the preceding chargeable period ; and
- (ii) the amount referred to in section 2(9)(a) were nil ; and
- (b) the assessable profit or allowable loss accruing to him from the field in any later chargeable period in which he has no such interest shall "be computed as if the amounts referred to in section 2(8)(b) and (9)(a) were nil.

Royalty payments

- 12 (1) Where at the end of the transfer period the old participator has no interest in the field—
- (a) any licence debit or credit which, apart from this paragraph, would fall to be taken into account under subsection (6) of section 2 in computing the assessable profit or allowable loss accruing to him from the field in any later chargeable period in which he has no such interest shall not be so taken into account; but
- (b) that subsection shall have effect in relation to the transfer period as if the amount of—
- (i) any such licence debit or credit as is mentioned in paragraph (a) above ; and
- (ii) any licence debit or credit that would have fallen to be taken into account as there mentioned for a later chargeable period if the old participator were still a participator,
- were an amount to be included in the sum referred to in paragraph (a) or, as the case may be, paragraph (b) of that subsection.

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- (2) Sub-paragraph (1) above does not affect the amount of any loss transferred under paragraph 7 above.
- (3) Notwithstanding anything in section 34 of the Taxes Management Act 1970 (ordinary time limit for assessments) any further assessment or determination or amendment of an assessment or determination required in consequence of sub-paragraph (1) above may be made at any time not later than six years after the end of the later chargeable period referred to in sub-paragraph (1)(a) or (b)(ii) above.

Payments on account and advance payments

- 13 (1) For the purpose of computing under the Schedule to the Petroleum Revenue Tax Act 1980 (computation of payment on account) whether any, and if so what, amount of tax is payable under that Act by the old participator and the new participator for the transfer period or any later chargeable period—
 - (a) it shall be assumed that any application or proposal made in relation to the transfer under paragraph 4 or 5(1) above and in respect of which the Board have not notified their decision will be accepted by the Board ; and
 - (b) the computation under that Schedule shall be made as if paragraph 6 above applied in relation to expenditure which under paragraph 2(4) of that Schedule is treated as having been allowed under Schedule 5 or 6 as well as to expenditure which has been so allowed.
- (2) Where at the end of the transfer period the old participator has no interest in the field he shall not be liable under section 105 of this Act to pay any amount as an advance payment of tax in respect of the field for any subsequent chargeable period in which he has no such interest.
- (3) The old participator shall not be entitled to interest under subsection (7) of that section by reason of any such excess as is there mentioned for the transfer period or either of the next two chargeable periods if he and the new participator are connected within the meaning of section 533 of the Taxes Act.

Losses of new participator

- 14 (1) Where the Board have determined under Schedule 2 that an allowable loss has accrued to the new participator from the field in the transfer period or a later chargeable period, then, if—
 - (a) the loss has been computed by reference to an amount taken into account by virtue of paragraph 6 above ; and
 - (b) the old participator has no interest in the field at the end of the transfer period, the old and new participators may jointly elect that the loss shall be surrendered to the old participator to the extent that it does not exceed whichever is the lesser of the amount referred to in paragraph (a) above and the total assessable profits as reduced under section 7 that accrued to the old participator from the field in chargeable periods up to and including the chargeable period after the transfer period.
- (2) Where any amount of a loss is surrendered under this paragraph it shall be treated—
 - (a) in relation to the old participator, as an allowable loss accruing to him in the chargeable period next but one after the transfer period ; and

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- (b) in relation to the new participator, as if it had been relieved against assessable profits accruing to him from the field in chargeable periods before that in which it accrued.

Terminal losses

- 15 (1) So much of an allowable loss accruing to the new participator from the field as falls to be relieved under section 7(3) but cannot be so relieved against assessable profits accruing to him from the field—
- (a) shall be treated as an allowable loss which falls to be relieved under section 7(3) against assessable profits accruing to the old participator from the field ; and
 - (b) shall not be regarded as an allowable unrelievable field loss in relation to the new participator except to the extent to which it cannot be relieved as mentioned in paragraph (a) above.
- (2) Relief by virtue of sub-paragraph (1)(a) above shall be given against the assessable profit accruing to the old participator in an earlier chargeable period only to the extent to which it cannot be given against the assessable profit accruing to him in a later chargeable period.
- (3) Where a person is the new participator in relation to two or more old participators—
- (a) sub-paragraph (2) above shall have effect as if the reference to the assessable profit accruing to the old participator in a later chargeable period were a reference to the assessable profit accruing to him or any other of the old participators in a later chargeable period ; and
 - (b) the amount to be relieved against the assessable profits of the old participators for any chargeable period shall (if it is less than the aggregate of those profits) be divided in such manner as is just and reasonable having regard to the interests respectively transferred by them to the new participator.
- (4) Where a person is the old participator in relation to two or more new participators and amounts in respect of which relief can be given under this paragraph are derived from two or more of them, the relief shall be given in such manner as is just and reasonable having regard to the interests respectively transferred by him to those new participators.

Abortive exploration expenditure

- 16 (1) Subject to sub-paragraph (2) below, there shall be allowed under section 5 in the case of the new participator, in connection with any field in which an interest is transferred to him by the old participator, any expenditure incurred—
- (a) by the old participator ; or
 - (b) if the old participator is a company, by a company which is within the meaning of that section associated with the old participator in respect of the expenditure,
- if no claim in respect of it has been made under Schedule 7 by the old participator or any such company and the expenditure would be allowable under that section in the case of the new participator if he had himself incurred it.
- (2) Sub-paragraph (1) above—

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- (a) does not apply so long as the old participator or, if the old participator is a company, any company associated with the old participator has an interest in a licence; and
 - (b) applies to the new participator only if the transfer to him was the last transfer made by the old participator.
- (3) For the purposes of sub-paragraph (2) above a company is associated with the old participator if—
- (a) one is a 51 per cent, subsidiary of the other and the other is not a 51 per cent, subsidiary of any company ; or
 - (b) each of them is a 51 per cent, subsidiary of a third company which is not itself a 51 per cent, subsidiary of any company ;
- and section 532 of the Taxes Act (subsidiaries) shall apply for the purposes of this sub-paragraph.
- (4) This paragraph is without prejudice to the application of section 5 in cases where the old participator is a company and the new participator is within the meaning of that section a company associated with the old participator in respect of the expenditure in question.

Oil allowance

- 17 If the transfer period is one of the first three chargeable periods of the field section 8 shall not apply to the old participator for that period or any earlier period.

Limit on tax payable in transfer year

- 18 (1) For the purposes of section 9 in its application to the transfer year, the accumulated capital expenditure at the end of that year of the old participator and the new participator respectively shall be treated as equal to the aggregate of—
- (a) the pre-transfer fraction of what (apart from this paragraph) would be the amount of his accumulated capital expenditure for the purposes of that section at the end of that year if any transfer from or to him under paragraph 6 or 8 above which paragraph 6 of Schedule 3 applies.
 - (b) the post-transfer fraction of what (apart from this paragraph) would be that amount having regard to any transfer from or to him in that year under those paragraphs.
- (2) For the purposes of this paragraph the pre-transfer and post-transfer fractions are respectively the fractions of the year (reckoned in days) which elapse before and begin with the date of the transfer ; and if there are two or more transfers in the year those fractions shall be determined—
- (a) for a participator who is the old participator as respects any of the transfers, by reference to the first transfer as respects which he is the old participator ;
 - (b) for a participator who is the new participator as respects any of the transfers, by reference to the last transfer as respects which he is the new participator ;
 - (c) for a participator who is the old participator as respects one or more of the transfers and the new participator as respects another or others, by reference to whichever results in the smallest amount of accumulated capital expenditure under this paragraph.

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Disposal of long-term assets

- 19 (1) Paragraph 4 of Schedule 4 shall not apply to the disposal of an asset used in connection with an oil field if the disposal is by the old participator (or a person connected with him) to the new participator (or a person connected with him) and the disposal is in pursuance of the transfer by the old participator to the new participator of an interest in the field.
- (2) Section 533 of the Taxes Act (connected persons) shall apply for the purposes of this paragraph.

Transfers of oil

- 20 Where in pursuance of the transfer of the whole or part of his interest in the field the old participator transfers his right to any oil already won from the field to the new participator, that oil—
- (a) shall not be taken into account under section 2(5) in computing the old participator's assessable profit or allowable loss in the transfer period ; but
 - (b) shall be taken into account under section 2(5) in computing the new participator's assessable profit or allowable loss as if it were included in his share of the oil won from the field.

Retention of share of oil

- 21 Where the old participator retains a share of the oil won from the field in pursuance of an agreement between him and the new participator under which the latter undertakes to be responsible for carrying out the old participator's obligations in connection with the field so far as they relate to that share—
- (a) that share shall be taken to belong to the new participator; and
 - (b) any oil comprised in that share shall be treated as oil acquired by the old participator under an agreement to which paragraph 6 of Schedule 3 applies.

SCHEDULE 18

Section 117.

DEMERGERS

PART I

RELIEF FROM ADVANCE CORPORATION TAX AND INCOME TAX

Exemption from provisions applying to company distributions

- 1 (1) References in the Corporation Tax Acts to distributions of a company shall not apply to any distribution which is an exempt distribution by virtue of this Part of this Schedule.
- (2) A distribution is an exempt distribution if it falls within paragraph 2 below and the conditions specified in this Part of this Schedule are satisfied.

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Relevant distributions

- 2 (1) The following distributions fall within this paragraph—
- (a) a distribution consisting of the transfer to all or any of its members by a company (" the distributing company ") of shares in one or more companies which are its 75 per cent, subsidiaries;
 - (b) a distribution consisting of the transfer by a company (" the distributing company") to one or more other companies (" the transferee company or companies") of—
 - (i) a trade or trades; or
 - (ii) shares in one or more companies which are 75 per cent, subsidiaries of the distributing company, and the issue of shares by the transferee company or companies to all or any of the members of the distributing company.
- (2) References in this Schedule to a relevant company are to the distributing company, to each subsidiary whose shares are transferred as mentioned in sub-paragraph (1) (a) or (b)(ii) above and to each transferee company mentioned in sub-paragraph (1) (b) above.

Conditions

- 3 Each relevant company must be resident in the United Kingdom at the time of the distribution.
- 4 The distributing company must at the time of the distribution be either a trading company or a member of a trading group and each subsidiary whose shares are transferred as mentioned in paragraph 2(1)(a) or (b)(ii) above must at that time be either a trading company or the holding company of a trading group.
- 5 (1) in a case within paragraph 2(1)(a) above—
- (a) the shares must not be redeemable, must constitute the whole or substantially the whole of the distributing company's holding of the ordinary share capital of the subsidiary and must confer the whole or substantially the whole of the distributing company's voting rights in the subsidiary; and
 - (b) subject to sub-paragraph (2) and paragraph 8(b) below, the distributing company must after the distribution be either a trading company or the holding company of a trading group.
- (2) Sub-paragraph (1)(b) above does not apply if the transfer relates to two or more 75 per cent, subsidiaries of the distributing company and that company is dissolved without there having been after the distribution any net assets of the company available for distribution in a winding up or otherwise.
- 6 (1) In a case within paragraph 2(1)(b) above—
- (a) if a trade is transferred the distributing company must either not retain any interest or retain only a minor interest in that trade ;
 - (b) if shares in a subsidiary are transferred those shares must constitute the whole or substantially the whole of the distributing company's holding of the ordinary share capital of the subsidiary and must confer the whole or substantially the whole of the distributing company's voting rights in the subsidiary;

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- (c) the only or main activity of the transferee company or each transferee company after the distribution must be the carrying on of the trade or the holding of the shares transferred to it;
 - (d) the shares issued by the transferee company or each transferee company must not be redeemable, must constitute the whole or substantially the whole of its issued ordinary share capital and must confer the whole or substantially the whole of the voting rights in that company ; and
 - (e) subject to sub-paragraph (2) and paragraph 8(b) below, the distributing company must after the distribution be either a trading company or the holding company of a trading group.
 - (2) Sub-paragraph (1)(e) above does not apply if there are two or more transferee companies each of which has a trade or shares in a separate 75 per cent, subsidiary of the distributing company transferred to it and the distributing company is dissolved without there having been after the distribution any net assets of the company available for distribution in a winding up or otherwise.
- 7
- (1) The distribution must be made wholly or mainly for the purpose of benefiting some or all of the trading activities which before the distribution are carried on by a single company or group and after the distribution will be carried on by two or more companies or groups.
 - (2) The distribution must not form part of a scheme or arrangements the main purpose or one of the main purposes of which is—
 - (a) the avoidance of tax ; or
 - (b) without prejudice to paragraph (a) above, the making of a chargeable payment as defined in paragraph 13 below or what would be such a payment if any of the companies mentioned in that paragraph were an unquoted company; or
 - (c) the acquisition by any person or persons other than members of the distributing company of control of that company, of any other relevant company or of any company which belongs to the same group as any such company; or
 - (d) the cessation of a trade or its sale after the distribution.
- 8
- Where the distributing company is a 75 per cent, subsidiary of another company—
- (a) the group (or, if more than one, the largest group) to which the distributing company belongs at the time of the distribution must be a trading group ;
 - (b) paragraphs 5(1)(b) and 6(1)(e) above shall not apply; and
 - (c) the distribution must be followed by one or more other distributions falling within paragraph 2(1)(a) or (b)(ii) above which satisfy the conditions of this Part of this Schedule and result in members of the holding company of the group (or, if more than one, the largest group) to which the distributing company belonged at the time of the distribution becoming members of—
 - (i) the transferee company or each transferee company to which a trade was transferred by the distributing company ; or
 - (ii) the subsidiary or each subsidiary whose shares were transferred by the distributing company; or
 - (iii) a company (other than that holding company) of which the company or companies mentioned in subparagraph (i) or (ii) above are 75 per cent, subsidiaries.

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

PART II

RELIEF FROM TAX IN RESPECT OF CAPITAL GAINS

- 9 Where a company makes an exempt distribution which falls within paragraph 2(1) (a) above
- (a) the distribution shall not be a capital distribution for the purposes of section 72 of the Capital Gains Tax Act 1979 (disposal on receipt of capital distribution); and
 - (b) sections 77 to 81 of that Act shall, with the necessary modifications, apply as if that company and the subsidiary whose shares are transferred were the same company and the distribution were a reorganisation of its share capital.
- 10 Subject to paragraph 15 below, neither section 278 nor section 279 of the Taxes Act (charge of tax where company ceases to be a member of a group) shall apply in a case where a company ceases to be a member of a group by reason only of an exempt distribution.

PART III

RELIEF FROM DEVELOPMENT LAND TAX

- 11 Subject to paragraph 16 below, section 21 of the Development Land Tax Act 1976 (chargeable disposal where company ceases to be a member of a group) shall not apply where a company ceases to be a member of a group by reason only of an exempt distribution.

PART IV

RELIEF FROM STAMP DUTY

- 12 (1) A document executed solely for the purpose of effecting an exempt distribution shall not be chargeable with stamp duty under the heading " Conveyance or Transfer on Sale " in Schedule 1 to the Stamp Act 1891 or under section 74 of the Finance (1909-1910) Act 1910.
- (2) Stamp duty shall not be chargeable on any document under section 47(5) of the Finance Act 1973 or Article 8(5) of the Finance (Miscellaneous Provisions) (Northern Ireland) Order 1973 if it relates to a chargeable transaction carried out solely for effecting an exempt distribution.
- (3) A document in respect of which stamp duty is not chargeable by virtue of this paragraph shall not be treated as duly stamped unless it is stamped in accordance with section 12 of the said Act of 1891 with a stamp denoting that it is not chargeable with duty.

PART V

PREVENTION OF TAX AVOIDANCE

Chargeable payments

- 13 (1) For the purposes of this Schedule a chargeable payment is any payment made otherwise than for bona fide commercial reasons or forming part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax, being a payment which—
- (a) a company concerned in an exempt distribution makes directly or indirectly to a member of that company or of any other company concerned in that distribution ; and
 - (b) is made in connection with, or with any transaction affecting, the shares of that or any such company; and
 - (c) is not a distribution or exempt distribution or made to another company which belongs to the same group as the company making the payment.
- (2) Where a company concerned in an exempt distribution is an unquoted company sub-paragraph (1)(a) above shall have effect as if any reference to the making of a payment by, or to a member of, a company concerned in the exempt distribution included a reference to the making of a payment by or to any other person in pursuance of a scheme or arrangements made with the unquoted company or, if the unquoted company is—
- (a) under the control of five or fewer persons ; and
 - (b) not under the control of (and only of) a company which is not itself under the control of five or fewer persons,
- with any of the persons referred to in paragraph (a) above.
- (3) References in this paragraph to a company concerned in an exempt distribution are to any relevant company and to any other company which was connected with any such company for the whole or any part of the period beginning with the exempt distribution and ending with the making of the payment which is in question under this paragraph.
- (4) For the purposes of sub-paragraph (3) above and of this subparagraph a company shall be deemed to have been connected in the period referred to in that sub-paragraph with each company to which a company connected with it was connected in that period.
- (5) References in this paragraph to a payment include references to a transfer of money's worth including the assumption of a liability.

Tax on chargeable payments

- 14 If within five years after the making of an exempt distribution there is a chargeable payment—
- (a) the amount or value of the payment shall be treated as income chargeable to tax under Case VI of Schedule D ; and
 - (b) unless the payment is a transfer of money's worth, section 53 of the Taxes Act (deduction of income tax at source) shall apply to the payment as if it were an annual sum payable otherwise than out of profits or gains charged to income tax ;

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- (c) the payment shall be regarded as a distribution for the purposes of sections 248(2) and 251(2) of the Taxes Act (disallowance of deductions) and paragraphs 5(6) and 10(1) of Schedule 16 to the Finance Act 1972 (close companies); and
- (d) the payment shall not (if it otherwise would be) be treated as a repayment of capital for the purposes of section 234 or 235 of the Taxes Act.

Re-instatement of charge in respect of capital gains

- 15 Paragraph 10 above does not apply if within five years after the making of the exempt distribution there is chargeable payment; and the time for making an assessment under section 278 or 279 of the Taxes Act by virtue of this paragraph shall not expire before the end of three years after the making of the chargeable payment.

Re-instatement of development land tax charge

- 16 Paragraph 11 above does not apply if within five years after the making of the exempt distribution there is a chargeable payment; and the time for making an assessment under section 21 of the Development Land Tax Act 1976 by virtue of this paragraph shall not expire before the end of three years after the making of the chargeable payment.

PART VI

ADMINISTRATION

Clearance procedure

- 17 (1) A distribution shall be treated as an exempt distribution in any case in which, before the distribution is made, the Board have, on the application of the distributing company, notified that company that the Board are satisfied that it will be such a distribution.
- (2) A payment shall not be treated as a chargeable payment in any case in which, before the payment is made, the Board have, on the application of the person intending to make it, notified him that they are satisfied that it will be made for bona fide commercial reasons and will not form part of any scheme or arrangements the main purpose or one of the main purposes of which is the avoidance of tax.
- (3) A company which becomes or ceases to be connected with another company may make an application under sub-paragraph (2) above as respects any payments that may be made by it at any time after becoming or ceasing to be so connected (whether or not there is any present intention to make any payments) and where a notification is given by the Board on such an application no payment to which the notification relates shall be treated as a chargeable payment by reason only of the company being or having been connected with the other company.
- (4) References in sub-paragraphs (2) and (3) above to a payment shall be construed as in paragraph 13 above.
- 18 (1) Any application under paragraph 17 above shall be in writing and shall contain particulars of the relevant transactions and the Board may, within thirty days of the

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receipt of the application or of any further particulars previously required under this sub-paragraph, by notice require the applicant to furnish further particulars for the purpose of enabling the Board to make their decision ; and if any such notice is not complied with within thirty days or such longer period as the Board may allow, the Board need not proceed further on the application.

- (2) The Board shall notify their decision to the applicant within thirty days of receiving the application or, if they give a notice under sub-paragraph (1) above, within thirty days of the notice being complied with.
- (3) If the Board notify the applicant that they are not satisfied as mentioned in paragraph 17 above or do not notify their decision to the applicant within the time required by sub-paragraph (2) above, the applicant may within thirty days of the notification or of that time require the Board to transmit the application, together with any notice given and further particulars furnished under subparagraph (1) above, to the Special Commissioners ; and in that event any notification by the Special Commissioners shall have effect for the purposes of paragraph 17 above as if it were a notification by the Board.
- (4) If any particulars furnished under this paragraph do not fully and accurately disclose all facts and circumstances material for the decision of the Board or the Special Commissioners, any resulting notification that the Board or Commissioners are satisfied as mentioned in paragraph 17 above shall be void.

Returns

- 19 Where a company makes an exempt distribution it shall within thirty days after the distribution make a return to the inspector giving particulars of the distribution and of the circumstances by reason of which it is exempt
- 20 (1) Where within five years after the making of an exempt distribution a person makes a chargeable payment which consists of a transfer of money's worth, he shall within thirty days after the transfer make a return to the inspector giving particulars—
 - (a) of the transaction effecting the transfer;
 - (b) of the name and address of the recipient or each recipient and the value of what is transferred to him or each of them; and
 - (c) if the transfer is accompanied by a chargeable payment consisting of a payment of money, of that payment.
- (2) Subject to sub-paragraph (3) below, where within five years after the making of an exempt distribution a person makes a payment or a transfer of money's worth which would be a chargeable payment but for the fact that it is made for bona fide commercial reasons and does not form part of any such scheme or arrangements as are mentioned in paragraph 13(1) above, the person making the payment or transfer shall within thirty days after the payment or transfer make a return to the inspector giving particulars—
 - (a) in the case of a transfer, of the transaction by which it is effected;
 - (b) of the name and address of the recipient or each recipient and the amount of the payment made, or the value of what is transferred, to him or each of them; and
 - (c) of the circumstances by reason of which the payment or transfer is not a chargeable payment.

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- (3) Sub-paragraph (2) above does not apply where the payment or transfer is one in relation to which a notification under paragraph 17(3) above has effect.

Power to obtain information

- 21 Where a distribution falling within paragraph 2 above has been made and the inspector has reason to believe that it may form part of any such scheme or arrangements as are mentioned in sub-paragraph (2) of paragraph 7 above, he may by a notice in writing require any relevant company or any person controlling any such company to furnish him within such time, not being less than thirty days, as may be specified in the notice with—
- (a) a declaration in writing stating whether or not, according to information which the company or that person has or can reasonably obtain, any such scheme or arrangements exist or have existed;
 - (b) such other information as the inspector may reasonably require for the purposes of that sub-paragraph and the company or that person has or can reasonably obtain.
- 22 (1) If the inspector has reason to believe that a person has not delivered an account or made a return which he is required to deliver or make by virtue of paragraph 14(b) or 20 above in respect of any payment or transfer, the inspector may by notice in writing require that person to furnish him within such time, not being less than thirty days, as may be specified in the notice with such information relating to the payment or transfer as the inspector may reasonably require for the purposes of Part V of this Schedule.
- (2) If the inspector has reason to believe that a payment or transfer has been made within five years after the making of an exempt distribution and that the payment or transfer is a chargeable payment by reason of the existence of any such scheme or arrangements as are mentioned in paragraph 13(2) above, he may by notice in writing require the person making the payment or transfer or, if that person is a company, any person controlling it to furnish him within such time, not being less than thirty days, as may be specified in the notice with—
- (a) a declaration in writing stating whether or not, according to information which that person has, or can reasonably obtain, any such scheme or arrangements exist or have existed;
 - (b) such other information as the inspector may reasonably require for the purposes of Part V of this Schedule and that person has or can reasonably obtain.
- (3) Any recipient of a chargeable payment and any person on whose behalf such a payment is received shall, if so required by the inspector, state whether the payment received by him or on his behalf is received on behalf of any person other than himself and, if so, the name and address of that person.

PART VII

INTERPRETATION

- 23 (1) In this Schedule—
- " chargeable payment" has the meaning given in paragraph 13 above ;

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" control" shall be construed in accordance with section 302(2) to (6) of the Taxes Act;

" distributing company " has the meaning given in paragraph 2 above ;

" exempt distribution " means a distribution which is exempt by virtue of paragraph 1 above;

"group", except in paragraph 7(2)(c), means a company which has one or more 75 per cent, subsidiaries together with that or those subsidiaries and in paragraph 7(2)(c) means a company which has one or more 51 per cent, subsidiaries together with that or those subsidiaries;

"holding company" means a company whose business (disregarding any trade carried on by it) consists wholly or mainly in the holding of shares or securities of one or more companies which are its 75 per cent, subsidiaries ;

" member ", where the reference is to a member of a company, does not, except in paragraph 13(1)(a), include a person who is a member otherwise than by virtue of holding shares forming part of the company's ordinary share capital;

" relevant company " has the meaning given in paragraph 2(2) above;

" shares " includes stock ;

" tax ", where the reference is to avoidance of tax, includes stamp duty ;

" trade " (except in sub-paragraph (3) below) does not include dealing in shares, securities, land, trades or commodity futures and " trading activities" shall be construed accordingly ;

" trading company " means a company whose business consists wholly or mainly of the carrying on of a trade or trades ;

" trading group " means a group the business of whose members, taken together, consists wholly or mainly in the carrying on of a trade or trades;

" unquoted company " means a company which does not satisfy the condition that its shares or some class thereof (disregarding debenture or loan stock, preferred shares or preferred stock) are listed in the Official List of The Exchange and are dealt in on The Stock Exchange regularly or from time to time, so however that this definition does not apply to a company under the control of (and only of) one or more companies to which this definition does not apply.

- (2) In determining for the purposes of paragraphs 2 to 6 above whether a company whose shares are transferred by the distributing company is a 75 per cent, subsidiary of the distributing company there shall be disregarded any share capital of the first-mentioned company which is owned indirectly by the distributing company.
- (3) In determining for the purposes of this Schedule whether one company is a 75 per cent, subsidiary of another, the other company shall be treated as not being the owner of—
 - (a) any share capital which it owns directly in a body corporate if a profit on a sale of the shares would be treated as a trading receipt of its trade ; or
 - (b) any share capital which it owns indirectly and which is owned directly by a body corporate for which a profit on the sale of the shares would be a trading receipt.
- (4) Section 533 of the Taxes Act (meaning of connected persons) applies for the purposes of this Schedule.

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- (5) This Schedule, 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 the Capital Gains Tax Act 1979.

SCHEDULE 19

Section 120.

NATIONAL SAVINGS BANK

Payments to National Loans Fund

- 1 (1) There shall be paid into the National Loans Fund by the Director of Savings an amount equal to the sums which at the end of 1980 are held by him in respect of investment deposits or are so held to his account otherwise than by the National Debt Commissioners (hereafter referred to as " the Commissioners ").
- (2) There shall be paid into that Fund by the Commissioners an amount equal to the sums which at the end of 1980 are held by them or to their account and were paid to them under section 22 of the National Savings Bank Act 1971 or received by them in respect of the investments held by them under that section at the end of that year (hereafter referred to as " the residual investments").
- (3) The amounts referred to in this paragraph shall be determined by agreement between the Director of Savings, the Commissioners and the Treasury and certified by the Comptroller and Auditor General.

Liability to National Loans Fund

- 2 (1) The Commissioners shall on 1st January 1981 assume a liability to the National Loans Fund of an amount equal to the excess of—
- (a) the sums charged on the Fund on that date by virtue of section 120 of this Act, over
 - (b) the aggregate of the amounts required to be paid into the Fund under paragraph 1 above.
- (2) The amount of the liability shall be determined by agreement between the Director of Savings, the Commissioners and the Treasury and certified by the Comptroller and Auditor General.

Discharge of liability

- 3 (1) The Commissioners shall discharge their liability under paragraph 2 above—
- (a) by paying into the Fund any interest on the residual investments which is received by them after the end of 1980 in respect of periods before the end of that year;
 - (b) by paying into the Fund from time to time in accordance with directions given by the Treasury any sums received by them on the redemption of any of those investments;
 - (c) by selling any of those investments at such time and in such manner as the Treasury may direct and paying the proceeds into the Fund.

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- (2) If all the residual investments have been redeemed or sold but the liability has not been fully discharged under sub-paragraph (1) above, the sum required for discharging the balance shall be issued to the Commissioners out of the Consolidated Fund and paid by them into the National Loans Fund.
- (3) If any of the residual investments remain after the liability has been fully discharged any interest received by the Commissioners in respect of those investments shall be paid into the Consolidated Fund and the Treasury may direct that any sums received on the redemption of the investments shall be paid into that Fund or that any of the investments shall be sold in such a manner as the Treasury may specify and the proceeds paid into that Fund.

Interest on residual investments

- 4 Subject to paragraph 3(3) above, the Commissioners shall pay into the National Loans Fund any interest on the residual investments received by them in respect of periods after the end of 1980.

Re-investment

- 5 (1) Subject to paragraphs 3 and 4 above, the Commissioners may, if the Treasury so direct, re-invest any sums received by them in respect of the residual investments (whether on redemption or as proceeds of sale) and this Schedule shall apply to the resulting investments as if they were included in the residual investments.
- (2) Any sums to be re-invested shall be re-invested, in accordance with any directions given by the Treasury, in any such manner for the time being specified in Part II of Schedule 1 to the Trustee Investments Act 1961 as the Treasury may by order specify.
- (3) A draft of any statutory instrument containing an order under this paragraph shall be laid before Parliament.
- (4) In section 133(3) of the Social Security Act 1975, section 127(3) of the Social Security (Northern Ireland) Act 1975 and sections 37(3) and 103(3) of the Employment Protection (Consolidation) Act 1978 for the words " as may be specified by an order of the Treasury for the time being in force under section 22(1) of the National Savings Bank Act 1971 " there shall be substituted the words " for the time being specified in Part II of Schedule 1 to the Trustee Investments Act 1961 as the Treasury may specify by an order of which a draft has been laid before Parliament ".
- (5) Any order in force under the said section 22(1) at the end of 1980 shall have effect as if made under this paragraph and the provisions amended by sub-paragraph (4) above.

Expenses

- 6 The expenses of the Commissioners in connection with the residual investments (as agreed between them and the Treasury) shall be deducted in accordance with directions given by the Treasury from the sums payable by the Commissioners under paragraphs 3 and 4 above.

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

Accounts

- 7 (1) The Commissioners shall keep an account of all sums received and paid by them after the end of 1980 in respect of the residual investments and of the re-investments made by them after the end of that year and shall furnish to the Treasury such information relating to the investments as the Treasury may require.
- (2) The Commissioners shall prepare, as respects each year ending with 31st December, a statement of the account referred to in sub-paragraph (1) above and that statement shall, before the end of May next following the expiration of that year, be transmitted to the Comptroller and Auditor General who shall examine, certify and report on it and lay copies of it, together with copies of his report, before Parliament.

SCHEDULE 20

Section 122.

REPEALS

PART I

GAMING LICENCE DUTY

Chapter	Short Title	Extent of Repeal
1972 c. 25.	The Betting and Gaming Duties Act 1972.	Section 14. In section 16(2) the definitions of œ rateable value and œ valuation list . In Schedule 2, paragraphs 1 and 2, paragraphs 4, 5 and 6, paragraph 8(2)(e), in paragraphs 10(1) and 11 the words " paragraph 1 or 12(2)(b) of this Schedule or of", and in paragraph 12, in sub-paragraph (1)(b) the words from " and which " to " gaming tables" and sub-paragraphs (2)(b) and (3).
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 2.
1978 c. 42.	The Finance Act 1978.	Section 7.

The repeal of paragraph 4 of Schedule 2 to the Betting and Gaming Duties Act 1972 does not affect licences for periods beginning before 1st October 1980 and the other repeals do not affect licences for periods beginning before 1st October 1981.

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

PART II

GAMING MACHINE LICENCE DUTY

Chapter	Short Title	Extent of Repeal
1972 c. 25.	The Betting and Gaming Duties Act 1972.	<p>In section 21(2) the words " (a) an ordinary licence, being", paragraph (b) together with the word " or " immediately preceding it and the words from " and where a licence " onwards.</p> <p>Section 24.</p> <p>In section 25, in subsection (2) the word " ordinary " in both places, in subsection (4)(b) the word " ordinary " and subsection (5).</p> <p>In section 26(4), paragraph (a) and in paragraph (b) the words " penny machine or any other " .</p> <p>In section 27(2), in the definition of " penny machine ", paragraph (c) together with the word " or " immediately preceding it.</p> <p>In Schedule 4, paragraph 4(2), paragraph 5(3) to (5), in paragraph 7(b) the words " in the case of an ordinary licence ", paragraph 8(3) and in paragraph 9(2) the word "either", sub-paragraph (b) together with the word " or " immediately preceding it.</p>
1972 c. 11 (N.I.).	The Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972.	<p>In section 43(3) the words " (a) in the case of a licence chargeable under section 44 or 45" and paragraph (b) together with the word " or " immediately preceding it.</p> <p>In section 44(1), the words " other than gaming machine licences to which section 45 applies".</p>

These repeals have effect from 1st October 1980.

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

Chapter	Short Title	Extent of Repeal
1975 c. 45.	The Finance (No. 2) Act 1975.	<p>Section 45.</p> <p>In section 46, in subsection (1) the words from the beginning to " applies" and in subsection (2) the words " in the case of a gaming machine licence to which section 44 applies."</p> <p>Section 47(4).</p> <p>In Schedule 3, Part II, in paragraph 9(2) the words "an eight-month licence shall expire at the end of 31st October next after that date;" and in paragraph 11(2) the words "(a) in the case of a licence authorising the provision of a gaming machine to which section 44 applies " and subparagraph (b) together with the word " and " immediately preceding it.</p> <p>Section 4(1), (2) and (5).</p>

These repeals have effect from 1st October 1980.

PART III

OTHER EXCISE DUTIES

Chapter	Short Title	Extent of Repeal
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 3(1).
1977 c. 36.	The Finance Act 1977.	Section 5(2) and (3). Section 6(2) and (3). Schedules 4 and 5.
1977 c. 49.	The National Health Service Act 1977.	In Schedule 15, paragraph 52.
1978 c. 29.	The National Health Service (Scotland) Act 1978.	In Schedule 16, paragraph 34.

1. The repeal in the Finance (No. 2) Act 1975 has effect from 29th September 1980.
2. The repeals in the Finance Act 1977 do not affect licences taken out before 27th March 1980.

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Chapter	Short Title	Extent of Repeal
1979 c. 47.	The Finance (No. 2) Act 1979.	Sections 2, 3 and 4.
S.I. 1979/1489.	The Tobacco Products (Amendment of Units of Measurement) Order 1979.	The whole Order.

1. The repeal in the Finance (No. 2) Act 1975 has effect from 29th September 1980.
 2. The repeals in the Finance Act 1977 do not affect licences taken out before 27th March 1980.

PART IV

VALUE ADDED TAX

Chapter	Short Title	Extent of Repeal
1972 c. 41.	The Finance Act 1972.	In section 34, subsection (7), in subsection (8) paragraph (c) together with the word " and " immediately preceding it and in subsection (9) the words "or to section 10 of that Act" and " or section 6 of that Act".
1978 c. 42.	The Finance Act 1978.	Section 35(6). 1 Section 11(1), (2), (5) and (6).

PART V

ABOLITION OF LOWER RATE

Chapter	Short Title	Extent of Repeal
1970 c. 10.	The Income and Corporation Taxes Act 1970.	In section 30(3), the words " not charged at a lower rate ". In section 34(1)(iii), the words from " as income " to " rate and ". In section 36(1), the words " not chargeable at a lower rate ". In section 287(1)(c) the words from "be treated as" to

These repeals do not affect the year 1978-79 or 1979-80.

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

Chapter	Short Title	Extent of Repeal
<p>1971 c. 68.</p>	<p>The Finance Act 1971.</p>	<p>" rate and " and " shall" in the second place where it occurs.</p> <p>In section 343(3), in paragraph (c) the words from " be treated as" to "rate and" and " those amounts shall" and in paragraph (i) of the proviso the words " or any lower rate ".</p> <p>In section 399(4)(c), the words from " as income " to " rate and ".</p> <p>In section 400(3), the words " or any lower rate ".</p> <p>In section 403(1), the words " not charged at a lower rate ".</p> <p>In section 422(2), the words " or any lower rate" and " not chargeable at a lower rate ".</p> <p>In section 424(c), the words " not chargeable at a lower rate ".</p> <p>In section 430(1), the words " not chargeable at a lower rate ".</p> <p>In section 457(1), the words " not charged at a lower rate ".</p> <p>In section 458(1), the words " not charged at a lower rate ".</p> <p>In section 32, in subsection (1)(a) the words " paragraph (aa) or ", subsections (1)(aa), (1A), (1B) and (1C) and in subsection (1D) the words " lower or ", " (aa) or " and " respectively ".</p> <p>In Schedule 7, in paragraph 2(2) the words " not charged at a lower rate ".</p>
<p>1972 c. 41.</p>	<p>The Finance Act 1972.</p>	<p>In section 87, in subsection (5)(c) the words from " as income " to " rate and " and in subsection (6)</p>

These repeals do not affect the year 1978-79 or 1979-80.

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

Chapter	Short Title	Extent of Repeal
1973 c. 51.	The Finance Act 1973.	the words "not charged at a lower rate". In Schedule 16, in paragraph 5(2)(d) the words from " as income " to " rate and " and in paragraph 5(6A) the words " not chargeable at a lower rate ".
1975 c. 7.	The Finance Act 1975.	In section 44, the words " not chargeable at a lower rate ".
1975 c. 45.	The Finance (No. 2) Act 1975.	In Schedule 2, in paragraph 19(1A) the words "not chargeable at a lower rate ".
1978 c. 42.	The Finance Act 1978.	In section 34(4)(c), the words from " as income " to " rate and ".
		In section 14, in subsection (1) the words from " and after " onwards and in subsection (2) the inserted subsections (1A), (1B) and (1C). In Schedule 2, paragraphs 2, 5(b), 6, 7, 9, 15(a), 16(a) and 19.

These repeals do not affect the year 1978-79 or 1979-80.

PART VI

CHILD TAX ALLOWANCES

Section A

Chapter	Short Title	Extent of Repeal
1971 c. 68.	The Finance Act 1971.	In Schedule 6, paragraph 9(b).
1974 c. 30.	The Finance Act 1974.	Section 14(3).
1976 c. 40.	The Finance Act 1976.	Section 29(2).
1977 c. 36.	The Finance Act 1977.	Section 26(1) to (4).
1978 c. 42.	The Finance Act 1978.	Section 20(1) and (2).

The repeals in the Finance Act 1971, the Finance Act 1974 and the Finance Act 1978 have effect on the passing of this Act and the other repeals for the year 1981-82 and subsequent years of assessment.

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

Chapter	Short Title	Extent of Repeal
1979 c. 25.	The Finance Act 1979.	In section 1(4) the words " or 26".

The repeals in the Finance Act 1971, the Finance Act 1974 and the Finance Act 1978 have effect on the passing of this Act and the other repeals for the year 1981-82 and subsequent years of assessment.

Section B

Chapter	Short Title	Extent of Repeal
1970 c. 9.	The Taxes Management Act 1970.	In section 58(3)(b) the figure " 11 ".
1970 c. 10.	The Income and Corporation Taxes Act 1970.	Sections 10 and 11. In section 39(1)(d) the words " relief in respect of a child under section 10(1)(b) or" and the word " child " in the second place where it occurs.
1971 c. 68.	The Finance Act 1971.	In Schedule 4, paragraph 3(1) (a). In Schedule 6, paragraph 6.
1976 c. 40.	The Finance Act 1976.	Section 29(3).
1977 c. 36.	The Finance Act 1977.	Section 25.
1978 c. 42.	The Finance Act 1978.	Section 20(3) and (5).
1979 c. 25.	The Finance Act 1979.	Section 1(4).

These repeals have effect for the year 1982-83 and subsequent years of assessment.

PART VII

RETIREMENT ANNUITIES

Chapter	Short Title	Extent of Repeal
1970 c. 10.	The Income and Corporation Taxes Act 1970.	In section 226(2)(c) the words " to the individual's personal representatives ". In section 226A, in subsection (1)(b) the words " being a lump sum payable to his personal representatives " and in subsections (3) (c) and (6) the words " to

These repeals have effect for the year 1980-81 and subsequent years of assessment but the repeal of section 227(2) to (3) has effect subject to the provisions of section 32(3) and (4) of this Act.

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

Chapter	Short Title	Extent of Repeal
1971 c. 68.	The Finance Act 1971.	the individual's personal representatives.". In section 227, subsections (1C), (2), (2A), (2B) and (3), in subsection (5) the word "either " and subsection (7). Section 228(1) to (3). In section 229(1) and (2) the words from " and shall accordingly be treated" to " Member ".
1977 c. 36.	The Finance Act 1977.	In Schedule 2, paragraphs 2 to 5 and 7(3) Section 27(1)(a) and (c).

These repeals have effect for the year 1980-81 and subsequent years of assessment but the repeal of section 227(2) to (3) has effect subject to the provisions of section 32(3) and (4) of this Act.

PART VIII

CLOSE COMPANIES

Chapter	Short Title	Extent of Repeal
1970 c. 10.	The Income and Corporation Taxes Act 1970.	In section 285 subsections (1) to (5) and in subsection (6) the words from " This " to " section " in the third place where it occurs. In Schedule 14, paragraph 12.
1974 c. 30.	The Finance Act 1974.	Section 35. In section 41(6)(b) the words " for the purposes of that section ".

These repeals have effect for accounting periods ending after 26th March 1980.

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

PART IX

INCOME TAX AND CORPORATION TAX: MISCELLANEOUS

Chapter	Short Title	Extent of Repeal
1970 c. 10.	The Income and Corporation Taxes Act 1970.	Section 414(1)(b) and (3) to (7).
1970 c. 24.	The Finance Act 1970.	Section 34.
1968 c. 3.	The Capital Allowances Act 1968.	In section 1(4) the proviso.
1974 c. 30.	The Finance Act 1974.	In Schedule 1, paragraph 10(b).
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 46(3)(a). Section 51. In section 70(6) the words from " other than " onwards. Section 71(2) and (7). In Schedule 9, paragraphs 4 and 8. In Schedule 12 in paragraph 2 of Part I and in paragraph 1 of Part II the words " under section 30 of the Finance Act 1971 or" and the words in parenthesis, paragraph 6 of Part I, paragraph 4 of Part III and paragraph 5 of Part IV.
1976 c. 40.	The Finance Act 1976.	Section 63(5)(b).
1977 c. 36.	The Finance Act 1977.	Section 22(2) and (3).
1979 c. 25.	The Finance Act 1979.	Section 1(5).
		<ol style="list-style-type: none"> 1. The repeal of section 414(1)(b) of the Income and Corporation Taxes Act 1970 applies in relation to interest for periods after 20th November 1979. 2. The repeal in the Finance Act 1974 has effect in relation to interest paid after 26th March 1980. 3. The repeal of section 46(3)(a) of the Finance (No. 2) Act 1975 does not affect interest on tax charged by assessments notice of which was issued before the passing of this Act. 4. The repeal of section 51 of the Finance (No. 2) Act 1975 has effect in relation to income or gains which are applicable and applied for provident benefits on or after 1st June 1980. 5. The repeals in the Finance Act 1976 and the Finance Act 1977 have effect for the year 1981-82 and subsequent years of assessment.

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

PART X

CAPITAL GAINS

Chapter	Short Title	Extent of Repeal
1970 c. 10.	The Income and Corporation Taxes Act 1970.	In section 267(3), the words " or 97 ". In section 354 in subsection (1) the words " and chargeable gains" and in subsection (2)(a) the words "out of income or chargeable gains arising as aforesaid ". Section 355.
1972 c. 41.	The Finance Act 1972.	In section 93, subsection (1) (b), subsection (2)(b) and in subsection (3) the words " either paragraph of ".
1974 c. 30.	The Finance Act 1974.	Section 43(2).
1976 c. 24.	The Development Land Tax Act 1976.	In Schedule 6, in paragraph 1(5)(b) the words "under section 97 of that Act (unit trusts: in certain cases only one-tenth of gains to be chargeable gains)".
1978 c. 42.	The Finance Act 1978.	Section 17(1).
1979 c. 14.	The Capital Gains Tax Act 1979.	Sections 94 and 95. Section 97. Section 100.

The repeals in Acts other than the Capital Gains Tax Act 1979 have effect in relation to disposals after 31st March 1980, the repeal of section 95 of that Act has effect in relation to accounting periods beginning after 5th April 1980 and the other repeals in that Act have effect in relation to disposals after that date.

PART XI

CAPITAL TRANSFER TAX

Chapter	Short Title	Extent of Repeal
40 & 41 Vict. c. 13.	The Customs, Inland Revenue, and Savings Banks Act 1877.	In section 12 the words " as often as required ".

The repeal of section 62 of the Finance Act 1978 and Schedule 10 to that Act do not affect chargeable transfers made before 26th March 1980 and the repeal of section 63 of that Act does not affect any transfer of value other than one to which section 86(2) of this Act applies.

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

Chapter	Short Title	Extent of Repeal
1975 c. 7.	The Finance Act 1975.	In Schedule 6, in paragraph 15(1), (2) and (3) the words "and section 84 of the Finance Act 1976' .
1976 c. 40.	The Finance Act 1976.	In section 117(5) the figure "£100,000".
1978 c. 42.	The Finance Act 1978.	Sections 62 and 63. Schedule 10.

The repeal of section 62 of the Finance Act 1978 and Schedule 10 to that Act do not affect chargeable transfers made before 26th March 1980 and the repeal of section 63 of that Act does not affect any transfer of value other than one to which section 86(2) of this Act applies.

PART XII

STAMP DUTY

Chapter	Short Title	Extent of Repeal
16 & 17 Geo. 5. c. 24 (N.I.).	The Finance (Stamp Duty) Act (Northern Ireland) 1926.	The whole Act.
24 & 25 Geo. 5 c. 3 (N.I.).	The Finance (Stamp Duties) Act (Northern Ireland) 1934.	Sections 2 and 3.
1972 c. 41.	The Finance Act 1972.	Section 125.
S.I. 1972/1100 (N.I.11).	The Finance (Northern Ireland) Order 1972.	Article 12.
1976 c. 40.	The Finance Act 1976.	In section 126(5)(b) the words " within the commonwealth ".

The repeals in the Act and Order of 1972 have effect as from 6th April 1980 and do not affect instruments executed before that date.

PART XIII

PETROLEUM REVENUE TAX

Chapter	Short Title	Extent of Repeal
1975 c. 22.	The Oil Taxation Act 1975.	In section 5(5) the words " with the omission of sub-paragraphs (2)(b) and (c) ".
1979 c. 47.	The Finance (No. 2) Act 1979.	Section 18.

The repeal in the Finance (No. 2) Act 1979 does not affect chargeable periods ending on or before 31st December 1979.

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

PART XIV

DEVELOPMENT LAND TAX

Chapter	Short Title	Extent of Repeal
1970 c. 9.	The Taxes Management Act 1970.	In section 86A(1) the words " then, except as provided by paragraph 12 of Schedule 7 to the Development Land Tax 1976 ".
1976 c. 24.	The Development Land Tax Act 1976.	Section 39. In section 40(1) the words "and the disposal is not a disposal falling within section 39(1) above " . In Schedule 2, paragraph 8. Schedule 7. In Schedule 8, paragraph 35(3) and in paragraph 38(1)(a) the words " or sub-paragraph (3) " .
1979 c. 47.	The Finance (No. 2) Act 1979.	In Schedule 4, paragraphs 1 to 3.

1. The repeal of paragraph 8 of Schedule 2 to the Development Land Tax Act 1976 does not affect realised development value accruing on a disposal before 26th March 1980.
2. The other repeals do not affect any disposal before 6th August 1980.

PART XV

NATIONAL SAVINGS BANK

Chapter	Short Title	Extent of Repeal
1971 c. 29.	The National Savings Bank Act 1971.	Sections 21 to 23. Section 24(3). In section 25 the words " or investment " . In section 26(3) the words " or section 22 " . Schedule 1.

These repeals have effect from 1st January 1981.