



# Finance Act 1981

## 1981 CHAPTER 35

### PART IV

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER II

#### RELIEF FOR INVESTMENT IN NEW CORPORATE TRADES

#### 67 Interpretation

(1) In this Chapter—

"associate " has the meaning given in subsection (3) of section 303 of the Taxes Act except that " relative " in that subsection shall not include a brother or sister ;

" control ", except in section 54(7) and section 65(2)(b), shall be construed in accordance with section 302(2) to (6) of that Act;

"director" shall be construed in accordance with section 303(5) of that Act;

" fixed-rate preference share capital" means share capital consisting of shares which—

- (a) are issued for consideration which is or includes new consideration; and
- (b) do not carry any right either to conversion into shares or securities of any other description or to the acquisition of any additional shares or securities; and
- (c) do not carry any right to dividends other than dividends which—
  - (i) are of a fixed amount or at a fixed rate per cent, of the nominal value of the shares, and
  - (ii) represent no more than a reasonable commercial return on the new consideration received by the company in respect of the issue of the shares; and

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*Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

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- (d) on repayment do not carry any rights to an amount exceeding that new consideration except in so far as those rights are reasonably comparable with those general for fixed dividend shares listed in the Official List of The Stock Exchange ;
- " market value " shall be construed in accordance with section 150 of the Capital Gains Tax Act 1979 ;
- " new consideration " has the same meaning as in Part )( of the Taxes Act;
- " ordinary shares " means shares forming part of a company's ordinary share capital;
- " the relevant period " has the meaning given in section 52(5) above;
- "the relief" or "relief" means relief under section 52 above and references to the amount of the relief shall be construed in accordance with subsection (2) of that section.
- (2) Section 533 of the Taxes Act (meaning of connected persons) applies for the purposes of the provisions of this Chapter other than section 54.
- (3) References in this Chapter to a disposal of shares include references to a disposal of an interest or right in or over the shares and an individual shall be treated for the purposes of this Chapter as disposing of any shares which he is treated by virtue of section 86(1) of the Capital Gains Tax Act 1979 as exchanging for other shares.
- (4) References in this Chapter to the reduction of any amount include references to its reduction to nil.