

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.	106.80
exceeding 15 but not exceeding 18 per cent	137.90
exceeding 18 but not exceeding 22 per cent	162.30
exceeding 22 per cent.	162.30 plus £14.47 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 £23.45 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. exceeding 10 but not exceeding	73.10
15 per cent	103.80
exceeding 15 but not exceeding 18 per cent	127.80
exceeding 18 per cent.	127.80 plus £14.47 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 £10.75 per hectolitre.

Status: This is the original version (as it was originally enacted).

SCHEDULE 3

Section 5(2).

PROVISIONS SUBSTITUTED IN **VEHICLES (EXCISE) ACT 1971 (c. 10)**

I

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE I

Description of vehicle	Rate of duty
	£
1. Bicycles and tricycles of which the cylinder capacity of the engine does not exceed 150 cubic centimetres	8.00
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	16.00
3. Bicycles and tricycles not in the foregoing paragraphs	32.00

II

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 2

Description of vehicle	Rate of duty
	£
Hackney carriages	40.00 with an additional 80p 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.	—	—	13.50	—
2. Haulage vehicles, being showmen's vehicles.	—	7¼ tons	130.00	—
	7¼ tons	8 tons	156.00	—
	8 tons	10 tons	183.00	—
	10 tons	—	183.00	28.00
3. Haulage vehicles, not being showmen's vehicles.	—	2 tons	155.00	—
	2 tons	4 tons	278.00	—
	4 tons	6 tons	402.00	—
	6 tons	7¼ tons	525.00	—
	7¼ tons	8 tons	642.00	—
	8 tons	10 tons	642.00	109.00
	10 tons	—	860.00	123.00

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. Exceeding	3. Not exceeding	4. Initial	5. Additional for each $\frac{1}{4}$ ton or part of a $\frac{1}{4}$ ton in excess of the weight in column 2
Description of vehicle			£	£
1. Farmers' goods vehicles	—	12 cwt.	46	—
	12 cwt.	16 cwt.	50	—
	16 cwt.	1 ton	54	—
	1 ton	3 tons	53	7
	3 tons	4 tons	106	5
	4 tons	7 tons	126	4
	7 tons	9 tons	176	2
	9 tons	—	233	6
2. Showmen's goods vehicles	—	12 cwt.	46	—
	12 cwt.	16 cwt.	50	—
	16 cwt.	1 ton	54	—
	1 ton	3 tons	53	7
	3 tons	4 tons	106	5
	4 tons	6 tons	126	4
	6 tons	9 tons	156	7
	9 tons	—	278	10
3. Tower wagons	—	12 cwt.	62	—
	12 cwt.	16 cwt.	69	—
	16 cwt.	1 ton	78	—
	1 ton	4 tons	77	8
	4 tons	6 tons	171	9
	6 tons	9 tons	242	8

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.	9 tons	—	394	15
	—	1 ton	80	—
	1 ton	$1\frac{1}{4}$ tons	90	—
	$1\frac{1}{4}$ tons	$1\frac{1}{2}$ tons	100	—
	$1\frac{1}{2}$ tons	3 tons	130	22
	3 tons	4 tons	264	23
	4 tons	9 tons	340	40
	9 tons	10 tons	1,351	48
	10 tons	—	1,537	57

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	—	—	41
2. Other goods vehicles	—	$1\frac{1}{2}$ tons	41
	$1\frac{1}{2}$ tons	3 tons	55
	3 tons	4 tons	92
	4 tons	6 tons	139
	6 tons	9 tons	173
	9 tons	—	210

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 horse-power, if registered under the Roads Act 1920 for the first time before 1st January 1947	57.00
2. Vehicles not included above	80.00

SCHEDULE 4

Section 6(2).

PROVISIONS SUBSTITUTED IN VEHICLES (EXCISE) ACT (NORTHERN IRELAND) 1972 (N.I. C. 10)

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	8.00
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	16.00
3. Bicycles and tricycles not in the foregoing paragraphs	32.00

II

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 2

Description of vehicle	Rate of duty
	£

Description of vehicle	Rate of duty
Hackney carriages	40.00 with an additional 80p for each person above 20 (excluding the driver) for which the vehicle has seating capacity.

III

PROVISIONS SUBSTITUTED FOR PART 11 OF SCHEDULE 3

1. Description of vehicle	Weight unladen of vehicle		Rate of duty	
	2. Exceeding	3. Not exceeding	4. Initial	5. 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.	—	—	13.50	—
2. Haulage vehicles, being showmen's vehicles.	—	7¼ tons	130.00	—
	7¼ tons	8 tons	156.00	—
	8 tons	10 tons	183.00	—
	10 tons	—	183.00	28.00
3. Haulage vehicles, not being showmen's vehicles.	—	2 tons	139.00	—
	2 tons	4 tons	248.00	—
	4 tons	6 tons	355.00	—
	6 tons	7¼ tons	464.00	—
	7¼ tons	8 tons	572.00	—
	8 tons	—	572.00	123.00

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.	46	—
	12 cwt.	16 cwt.	50	—
	16 cwt.	1 ton	54	—
	1 ton	3 tons	53	7
	3 tons	6 tons	111	2
	6 tons	8 tons	143	1
	8 tons	9 tons	157	2
	9 tons	—	201	4
2. Showmen's goods vehicles; tower wagons.	—	12 cwt.	60	—
	12 cwt.	16 cwt.	62	—
	16 cwt.	1 ton	70	—
	1 ton	2 tons	73	3
	2 tons	3 tons	84	4
	3 tons	5 tons	97	6
	5 tons	6 tons	144	5
	6 tons	9 tons	158	7
3. Goods vehicles not included in any of the foregoing provisions of this Part	—	1 ton	80	—
	1 ton	$1\frac{1}{4}$ tons	90	—
	$1\frac{1}{4}$ tons	$1\frac{1}{2}$ tons	100	—
	$1\frac{1}{2}$ tons	3 tons	116	16
	3 tons	4 tons	209	25

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 tons	6 tons	310	32
	6 tons	9 tons	569	37
	9 tons	—	1,218	50

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	—	—	41
2. Other goods vehicles	—	1½ tons	41
	1½ tons	3 tons	55
	3 tons	4 tons	92
	4 tons	6 tons	139
	6 tons	9 tons	173
	9 tons	—	210

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 its first registration for taxation purposes had been effected in Northern Ireland would	

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

Description of vehicle	Rate of duty
have been so first registered as aforesaid under the Act as in force in Northern Ireland:	
(i) not exceeding 6 horse-power	48.00
(ii) exceeding 6 horse-power but not exceeding 9 horsepower—for each unit or part of a unit of horse-power	8.00
2. Other vehicles	80.00

SCHEDULE 5

Sections 5(4) and 6(4).

ANNUAL RATES OF DUTY ON GOODS VEHICLES

PART A

PROVISIONS HAVING EFFECT AS SCHEDULE 4 TO THE VEHICLES (EXCISE) ACT 1971 AND (AS MODIFIED BY PART B OF THIS SCHEDULE) AS SCHEDULE 4 TO THE VEHICLES (EXCISE) ACT (NORTHERN IRELAND) 1972

PART I

GENERAL PROVISIONS

Vehicles chargeable at the basic rate of duty

- 1 (1) Subject to paragraphs 5 and 6 below, the annual rate of duty applicable to a goods vehicle—
- (a) which has a plated gross weight or a plated train weight which does not exceed 7⁵ tonnes ; or
 - (b) which has neither a plated gross weight nor a plated train weight but which has an unladen weight which exceeds 1,525 kilograms ; or
 - (c) which is a tower wagon, having an unladen weight which exceeds 1,525 kilograms;
- shall be £170.

- (2) Any reference in the following provisions of this Schedule to the basic rate of duty is a reference to the annual rate of duty for the time being applicable to vehicles falling within sub-paragraph (1) above.

Vehicles exceeding 75 but not exceeding 12 tonnes plated weight

- 2 Subject to paragraphs 1(1)(c) above and 6 below, the annual rate of duty applicable to a goods vehicle which has a plated gross weight or a plated train weight which exceeds 75 tonnes but does not exceed 12 tonnes shall be £360.

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Rigid goods vehicles exceeding 12 tonnes plated gross weight

- 3 (1) Subject to the provisions of this Schedule, the annual rate of duty applicable to a goods vehicle which is a rigid goods vehicle and has a plated gross weight which exceeds 12 tonnes shall be determined in accordance with Table A in Part II of this Schedule by reference to—
- (a) the plated gross weight of the vehicle ; and
 - (b) the number of axles on the vehicle.
- (2) If a rigid goods vehicle to which sub-paragraph (1) above applies is used for drawing a trailer which—
- (a) has a plated gross weight exceeding 4 tonnes ; and
 - (b) when so drawn, is used for the conveyance of goods or burden;
- the annual rate of duty applicable to it in accordance with that sub-paragraph shall be increased by the amount of the supplement which, in accordance with Table B in Part II of this Schedule, is appropriate to the gross plated weight of the trailer being drawn.

Tractor units exceeding 12 tonnes plated train weight

- 4 (1) This paragraph applies to a tractor unit which has a plated train weight exceeding 12 tonnes.
- (2) The annual rate of duty applicable to a tractor unit to which this paragraph applies and which has not more than two axles shall be determined, subject to the following provisions of this Schedule, in accordance with Table C in Part II of this Schedule by reference to—
- (a) the plated train weight of the tractor unit; and
 - (b) the types of semi-trailers, distinguished according to the number of their axles, which are to be drawn by it.
- (3) The annual rate of duty applicable to a tractor unit to which this paragraph applies and which has three or more axles shall be determined subject to the following provisions of this Schedule in accordance with Table D in Part II of this Schedule by reference to—
- (a) the plated train weight of the tractor unit; and
 - (b) the types of semi-trailers, distinguished according to the number of their axles, which are to be drawn by it.

Special types of vehicles

- 5 (1) This paragraph applies to a goods vehicle—
- (a) which has an unladen weight exceeding 1,525 kilograms ; and
 - (b) which does not comply with regulations under section 40 of the Road Traffic Act 1972 (construction and use regulations) ; and
 - (c) which is for the time being authorised for use on roads by virtue of an order under section 42 of that Act (authorisation of special vehicles).
- (2) The annual rate of duty applicable to a goods vehicle to which this paragraph applies and which falls within a class specified by an order of the Secretary of State made for the purposes of this paragraph shall be determined, on the basis of the assumptions in sub-paragraph (3) below, by the application of Table A, Table C or Table D in Part II of this Schedule, according to whether the vehicle is a rigid goods vehicle or a tractor unit and, in the latter case, according to the number of its axles.

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- (3) The assumptions referred to in sub-paragraph (2) above are—
- (a) where Table A applies, that the vehicle has a plated gross weight which exceeds 30 tonnes but does not exceed 30.49 tonnes; and
 - (b) where Table C or Table D applies, that the vehicle has a plated train weight which exceeds 32 tonnes but does not exceed 32.52 tonnes.
- (4) In the case of a goods vehicle to which this paragraph applies and which does not fall within such a class as is referred to in sub-paragraph (2) above, the annual rate of duty shall be the basic rate of duty.
- (5) The power to make an order under sub-paragraph (2) above shall be exercisable by statutory instrument; but no such order shall be made unless a draft of it has been laid before Parliament and approved by a resolution of each House of Parliament.

Farmer's goods vehicles and showmen's goods vehicles

- 6 (1) If the unladen weight of—
- (a) a farmer's goods vehicle ; or
 - (b) a showman's goods vehicle ;
- does not exceed 1,525 kilograms, the annual rate of duty applicable to it shall be £60.
- (2) If a farmer's goods vehicle or a showman's goods vehicle has a plated gross weight or a plated train weight, the annual rate of duty applicable to it shall be—
- (a) £100, if that weight does not exceed 7.5 tonnes;
 - (b) £130, if that weight exceeds 7.5 tonnes but does not exceed 12 tonnes; and
 - (c) the appropriate Part II rate, if that weight exceeds 12 tonnes.
- (3) In sub-paragraph (2) above the "appropriate Part II rate" means the rate determined in accordance with paragraph 3 or, as the case may be, 4 above but by reference—
- (a) in the case of a farmer's goods vehicle, to Table A(1), Table B(1), Table C(1) or, as the case may be, Table D(1) in Part II of this Schedule, in place of the corresponding Table referred to in that paragraph ; and
 - (b) in the case of a showman's goods vehicle, to Table A(2), Table B(2), Table C(2) or, as the case may be, Table D(2) in Part II of this Schedule, in place of the corresponding Table referred to in that paragraph.
- (4) In the case of any other farmer's goods vehicle or showman's goods vehicle, the annual rate of duty applicable to it shall be £100.

Smaller goods vehicles

- 7 If a goods vehicle—
- (a) has an unladen weight which does not exceed 1,525 kilograms ; and
 - (b) does not fall within paragraph 6 above;
- the annual rate of duty applicable to it shall be £80.

Vehicles treated as having reduced plated weights

- 8 (1) The Secretary of State may by regulations provide that, on an application made in accordance with the regulations, the goods vehicle to which the application relates shall be treated for the purposes of this Schedule as if its plated gross weight or plated

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train weight were the lower gross weight or train weight (the "operating weight") specified in the application.

- (2) Where, following an application duly made in accordance with the regulations, a licence is issued for the vehicle concerned at the rate of duty applicable to the operating weight, that weight shall be shown on the licence.
- (3) The regulations may provide that the use of any vehicle in respect of which a lower rate of duty is chargeable by virtue of this paragraph shall be subject to prescribed conditions and to such further conditions as the Secretary of State may think fit to impose in any particular case.
- (4) In any case where a vehicle in respect of which a lower rate of duty has been charged by virtue of this paragraph is used in contravention of a condition imposed by virtue of sub-paragraph (3) above, then—
 - (a) the higher rate of duty applicable to its plated gross weight or plated train weight shall become chargeable as from the date of the contravention ; and
 - (b) section 19 of this Act shall apply as if—
 - (i) that higher rate had become chargeable under subsection (1) of that section by reason of the vehicle being used as mentioned in that subsection ; and
 - (ii) subsections (5) to (9) were omitted.

Plated and unladen weights

- 9 (1) Any reference in this Schedule to the plated gross weight of a goods vehicle or trailer is a reference—
 - (a) to that plated weight, within the meaning of Part II of the Road Traffic Act 1972, which is the maximum gross weight which may not be exceeded in Great Britain for the vehicle or trailer in question ; or
 - (b) in the case of any trailer which may lawfully be used in Great Britain without a plated gross weight, to the maximum laden weight at which the trailer may lawfully be used in Great Britain.
- (2) Any reference in this Schedule to the plated train weight of a vehicle is a reference to that plated weight, within the meaning of the said Part II, which is the maximum gross weight which may not be exceeded in Great Britain for an articulated vehicle consisting of the vehicle in question and any semi-trailer which may be drawn by it.
- (3) A mechanically propelled vehicle which—
 - (a) is constructed or adapted for use and used for the conveyance of a machine or contrivance and no other load except articles used in connection with the machine or contrivance ; and
 - (b) is not a vehicle for which an annual rate of duty is specified in Schedule 3 to this Act; and
 - (c) has neither a plated gross weight nor a plated train weight,shall, notwithstanding that the machine or contrivance is built in as part of the vehicle, be chargeable with duty at the rate which would be applicable if the machine or contrivance were burden.

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Goods vehicles used partly for private purposes

- 10 (1) Where a goods vehicle is partly used for private purposes, the annual rate of duty applicable to it shall, if apart from this paragraph it would be less, be the rate determined in accordance with Schedule 5 to this Act.
- (2) A vehicle shall not be prevented from being a farmer's goods vehicle for the purposes of this Schedule solely by reason of its being used partly for private purposes.
- (3) In this paragraph " partly used for private purposes " means used partly otherwise than for the conveyance of goods or burden for hire or reward or for or in connection with a trade or business.

Exempted vehicles

- 11 Duty shall not be chargeable by virtue of this Schedule in respect of—
- (a) a vehicle chargeable with duty by virtue of Schedule 1 to this Act;
 - (b) an agricultural machine which is a goods vehicle by reason of the fact that it is constructed or adapted for use, and used, for the conveyance of farming or forestry implements fitted to it for operation while so fitted ;
 - (c) a mobile crane, works truck or fisherman's tractor ; or
 - (d) a vehicle which, though constructed or adapted for use for the conveyance of goods or burden, is not so used for hire or reward or for or in connection with a trade or business.
- 12 (1) This paragraph and paragraph 13 below apply to agricultural machines which do not draw trailers.
- (2) Subject to paragraph 13 below, a vehicle to which this paragraph applies shall not be chargeable with duty by virtue of this Schedule by reason of the fact that it is constructed or adapted for use and used for the conveyance of permitted goods or burden if they are carried in or on not more than one appliance and the conditions mentioned in sub-paragraph (3) below are satisfied.
- (3) The conditions are that—
- (a) the appliance is fitted either to the front or to the back of the vehicle;
 - (b) the appliance is removable ;
 - (c) the area of the horizontal plane enclosed by vertical lines passing through the outside edges of the appliance is not, when the appliance is in the position in which it is carried when the vehicle is travelling and the appliance is loaded, greater than—
 - (i) 0.65 of a square metre, if the appliance is carried at the front; or
 - (ii) 1.394 square metres, if it is carried at the back.
- (4) In sub-paragraph (2) above "permitted goods or burden" means goods or burden the haulage of which is permissible under paragraph 2(1) of Schedule 3 to this Act.
- (5) Sub-paragraph (2) above does not apply—
- (a) to the use of a vehicle on a public road more than 15 miles from a farm occupied by the person in whose name the vehicle is registered under this Act;
 - (b) to three-wheeled vehicles ; or

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- (c) to any vehicle in respect of which the distance between the centre of the area of contact with the road surface of the relevant wheel and that of the nearest wheel on the other side of the vehicle is less than 1.22 metres.
- (6) In sub-paragraph (5)(c) above "relevant wheel" means—
- (a) in a case where only one appliance is being used for the carriage of goods or burden and that appliance is fitted to the back of the vehicle, a back wheel; and
 - (b) in any other case, any wheel on a side of the vehicle.
- (7) For the purposes of this paragraph a vehicle which has two wheels at the front shall, if the distance between them (measured between the centres of their respective areas of contact with the road) is less than 46 centimetres, be treated as a three-wheeled vehicle.
- 13 (1) This paragraph shall have effect in relation to any vehicle fitted with an appliance of any description prescribed for the purposes of all or any of the provisions of this paragraph by regulations under this paragraph.
- (2) The limitation in paragraph 12(2) above to one appliance shall have effect as a limitation to two appliances of which at least one must be an appliance prescribed for the purposes of this sub-paragraph; but if two appliances are used they must be fitted at opposite ends of the vehicle.
- (3) Regulations under this paragraph may provide for all or any of the following matters where an appliance prescribed for the purposes of this paragraph is being used, that is to say, that paragraph 12(2) above shall not apply unless the prescribed appliance is fitted to the prescribed end of the vehicle, or unless the use of the prescribed or any appliance is limited to prescribed goods or burden or to use in prescribed circumstances.
- (4) Regulations under this paragraph may provide that paragraph 12(3)(c) above shall not have effect in relation to appliances prescribed for the purposes of this sub-paragraph, but that in relation to those appliances paragraph 12(5)(a) above shall have effect with the substitution of such shorter distance as may be prescribed.
- (5) In sub-paragraphs (2) to (4) above references to use are references to use for the carriage of goods or burden; and regulations under this paragraph may make different provision in relation to different descriptions of prescribed appliances.

Tractor units used with semi-trailers having only one axle when duty paid by reference to use with semi-trailers having more than one axle

- 14 (1) This paragraph applies in any case where—
- (a) a vehicle licence has been taken out for a tractor unit having two axles which is to be used only with semi-trailers with not less than two axles or for a tractor unit having two axles which is to be used only with semi-trailers with not less than three axles ; and
 - (b) the rate of duty paid on taking out the licence is equal to or exceeds the rate of duty applicable to a tractor unit having two axles—
 - (i) which has a plated train weight equal to the maximum laden weight at which a tractor unit having two axles may lawfully be used in Great Britain with a semitrailer with a single axle ; and
 - (ii) which is to be used with semi-trailers with any number of axles.

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

- (2) If, in a case to which this paragraph applies, the tractor unit is used with a semi-trailer with a single axle and, when so used, the laden weight of the tractor unit and semi-trailer taken together does not exceed the maximum laden weight mentioned in subparagraph (1)(b)(i) above, the tractor unit shall, when so used, be taken to be licensed in accordance with the requirements of this Act.

Interpretation

- 15 (1) In this Schedule, unless the context otherwise requires—
- " agricultural machine " has the same meaning as in Schedule 3 to this Act;
 - " axle " includes—
 - (i) two or more stub axles which are fitted on opposite sides of the longitudinal axis of the vehicle so as to form—
 - (a) a pair in the case of two stub axles, and
 - (b) pairs in the case of more than two stub axles,
 - (ii) a single stub axle which is not one of a pair ; and
 - (iii) a retractable axle ;
 - " basic rate of duty " has the meaning given by paragraph 1(2);
 - " business " includes the performance by a local or public authority of its functions ;
 - " farmer's goods vehicle " means, subject to paragraph 10(2) above, a goods vehicle registered under this Act in the name of a person engaged in agriculture and used on public roads solely by him for the purpose of the conveyance of the produce of, or of articles required for the purposes of, the agricultural land which he occupies, and for no other purposes ;
 - " fisherman's tractor " has the same meaning as in Schedule 3 to this Act;
 - " goods vehicle " means a mechanically propelled vehicle (including a tricycle as defined in Schedule 1 to this Act and weighing more than 425 kilograms unladen) constructed or adapted for use and used for the conveyance of goods or burden of any description, whether in the course of trade or otherwise ;
 - " mobile crane " has the same meaning as in Schedule 3 to this Act;
 - " rigid goods vehicle " means a goods vehicle which is not a tractor unit;
 - " showman's goods vehicle " means a showman's vehicle which is a goods vehicle and is permanently fitted with a living van or some other special type of body or superstructure, forming part of the equipment of the show of the person in whose name the vehicle is registered under this Act;
 - " showman's vehicle " has the same meaning as in Schedule 3 to this Act;
 - " stub axle " means an axle on which only one wheel is mounted ;
 - " tower wagon " means a goods vehicle—
 - (a) into which there is built, as part of the vehicle, any expanding or extensible contrivance designed for facilitating the erection, inspection, repair or maintenance of overhead structures or equipment; and
 - (b) which is neither constructed nor adapted for use nor used for the conveyance of any load, except such a contrivance and articles used in connection therewith ;
 - " tractor unit " means a goods vehicle to which a semi-trailer may be so attached that part of the semi-trailer is superimposed on part of the goods

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vehicle and that when the semi-trailer is uniformly loaded not less than 20 per cent, of the weight of its load is borne by the goods vehicle ;

" trailer" shall be construed in accordance with sub-paragraph (2) below ;

" unladen weight" has the same meaning as it has for the purposes of the Road Traffic Act 1972 by virtue of section 194 of that Act; and

" works truck " has the same meaning as in Schedule 3 to this Act.

(2) In this Schedule " trailer " does not include—

- (a) an appliance constructed and used solely for the purpose of distributing on the road loose gritting material;
- (b) a snow plough ;
- (c) a road construction vehicle as defined in section 4(2) of this Act;
- (d) a farming implement not constructed or adapted for the conveyance of goods or burden of any description, when drawn by a farmer's goods vehicle ;
- (e) a trailer used solely for the carriage of a container for holding gas for the propulsion of the vehicle by which it is drawn, or plant and materials for producing such gas.

PART II

TABLE A

RATES OF DUTY ON RIGID GOODS VEHICLES EXCEEDING 12 TONNES PLATED GROSS WEIGHT

GENERAL RATES

Plated gross weight of vehicle		Rate of duty		
1	2	3	4	5
Exceeding	Not exceeding	Two axle vehicle	Three axle vehicle	Four or more axle vehicle
tonnes	tonnes	£	£	£
12	13	450	360	360
13	14	550	360	360
14	15	610	360	360
15	16	670	360	360
16	17	730	360	360
17	18	—	420	360
18	19	—	490	360
19	20	—	560	360
20	21	—	640	360
21	22	—	730	430
22	23	—	820	520
23	24	—	920	620

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

Plated gross weight of vehicle		Rate of duty		
1	2	3	4	5
Exceeding	Not exceeding	Two axle vehicle	Three axle vehicle	Four or more axle vehicle
24	25	—	1,030	730
25	26	—	—	850
26	27	—	—	980
27	28	—	—	1,120
28	29	—	—	1,270
29	30	—	—	1,430
30	30.49	—	—	1,620

TABLE A(1)

RATES OF DUTY ON RIGID GOODS VEHICLES
 EXCEEDING 12 TONNES PLATED GROSS WEIGHT

RATES FOR FARMERS' GOODS VEHICLES

Plated gross weight of vehicle		Rate of duty		
1	2	3	4	5
Exceeding	Not exceeding	Two axle vehicle	Three axle vehicle	Four or more axle vehicle
tonnes	tonnes	£	£	£
12	13	150	130	130
13	14	155	130	130
14	15	160	135	130
15	16	165	140	130
16	17	170	145	130
17	18	—	150	130
18	19	—	155	135
19	20	—	160	140
20	21	—	165	145
21	22	—	170	150
22	23	—	175	155
23	24	—	180	160
24	25	—	190	165
25	26	—	—	180
26	27	—	—	200

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

Plated gross weight of vehicle		Rate of duty		
1	2	3	4	5
Exceeding	Not exceeding	Two axle vehicle	Three axle vehicle	Four or more axle vehicle
27	28	—	—	220
28	29	—	—	240
29	30	—	—	260
30	30.49	—	—	280

TABLE A(2)

RATES OF DUTY ON RIGID GOODS VEHICLES
 EXCEEDING 12 TONNES PLATED GROSS WEIGHT

RATES FOR SHOWMEN'S GOODS VEHICLES

Plated gross weight of vehicle		Rate of duty		
1	2	3	4	5
Exceeding	Not exceeding	Two axle vehicle	Three axle vehicle	Four or more axle vehicle
tonnes	tonnes	£	£	£
12	13	150	130	130
13	14	155	130	130
14	15	160	135	130
15	16	165	140	130
16	17	170	145	130
17	18	—	150	135
18	19	—	155	140
19	20	—	165	145
20	21	—	175	155
21	22	—	185	165
22	23	—	195	175
23	24	—	210	185
24	25	—	225	200
25	26	—	—	220
26	27	—	—	245
27	28	—	—	270
28	29	—	—	295
29	30	—	—	320

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

Plated gross weight of vehicle			Rate of duty	
1	2	3	4	5
Exceeding	Not exceeding	Two axle vehicle	Three axle vehicle	Four or more axle vehicle
30	30-49	—	—	350

TABLE B

SUPPLEMENTARY RATES OF DUTY ON RIGID GOODS
VEHICLES OVER 12 TONNES USED FOR DRAWING
TRAILERS EXCEEDING 4 TONNES PLATED GROSS WEIGHT

GENERAL RATES

Gross weight of trailer		Duty supplement
Exceeding	Not exceeding	
tonnes	tonnes	£
4	8	75
8	10	100
10	12	125
12	14	175
14	—	250

TABLE B(1)

SUPPLEMENTARY RATES OF DUTY ON RIGID GOODS
VEHICLES OVER 12 TONNES USED FOR DRAWING
TRAILERS EXCEEDING 4 TONNES PLATED GROSS WEIGHT

RATES FOR FARMERS' GOODS VEHICLES

Gross weight of trailer		Duty supplement
Exceeding	Not exceeding	
tonnes	tonnes	£
4	8	75
8	10	100
10	12	125
12	14	175
14	—	250

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

TABLE B(2)

SUPPLEMENTARY RATES OF DUTY ON RIGID GOODS
 VEHICLES OVER 12 TONNES USED FOR DRAWING
 TRAILERS EXCEEDING 4 TONNES PLATED GROSS WEIGHT

RATES FOR SHOWMEN'S GOODS VEHICLES

Gross weight of trailer		Duty supplement
Exceeding	Not exceeding	
—	—	£ 75

TABLE C

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES
 PLATED TRAIN WEIGHT AND HAVING ONLY 2 AXLES

GENERAL RATES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	13	470	470	470
13	14	520	470	470
14	15	570	470	470
15	16	620	470	470
16	17	680	470	470
17	18	730	470	470
18	19	790	470	470
19	20	850	470	470
20	21	920	520	470
21	22	990	580	470
22	23	1,060	650	470
23	24	1,130	730	470
24	25	1,210	820	470
25	26	1,210	920	550

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

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
26	27	1,210	1,040	650
27	28	1,210	1,160	750
28	29	1,280	1,280	870
29	30	1,400	1,400	990
30	31	1,530	1,530	1,110
31	32	1,670	1,670	1,230
32	32-52	1,820	1,820	1,350

TABLE C(1)

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES
 PLATED TRAIN WEIGHT AND HAVING ONLY 2 AXLES

RATES FOR FARMERS' GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	13	150	150	150
13	14	155	150	150
14	15	160	150	150
15	16	165	150	150
16	17	170	150	150
17	18	175	150	150
18	19	180	150	150
19	20	185	150	150
20	21	190	150	150
21	22	195	155	150

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

Plated train weight of tractor unit			Rate of duty	
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
22	23	200	160	150
23	24	210	165	150
24	25	220	170	150
25	26	220	180	150
26	27	220	190	160
27	28	220	200	170
28	29	220	215	180
29	30	235	235	190
30	31	255	255	210
31	32	275	275	230
32	32.52	295	295	250

TABLE C(2)

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES
 PLATED TRAIN WEIGHT AND HAVING ONLY 2 AXLES

RATES FOR SHOWMEN'S GOODS VEHICLES

Plated train weight of tractor unit			Rate of duty	
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	13	150	150	150
13	14	155	150	150
14	15	160	150	150
15	16	165	150	150
16	17	170	150	150
17	18	175	150	150

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

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
18	19	180	150	150
19	20	190	155	150
20	21	200	160	150
21	22	215	170	150
22	23	230	180	160
23	24	245	190	170
24	25	260	200	180
25	26	260	215	190
26	27	260	235	200
27	28	260	255	210
28	29	275	275	225
29	30	295	295	240
30	31	320	320	260
31	32	345	345	285
32	32.52	370	370	310

TABLE D

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES
 PLATED TRAIN WEIGHT AND HAVING 3 OR MORE AXLES

GENERAL RATES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	20	470	470	470
20	21	520	470	470

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

Plated train weight of tractor unit			Rate of duty	
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
21	22	580	470	470
22	23	650	470	470
23	24	730	470	470
24	25	820	470	470
25	26	920	470	470
26	27	1,040	470	470
27	28	1,160	470	470
28	29	1,280	540	470
29	30	1,400	610	470
30	31	1,530	680	470
31	32	1,670	750	470
32	32.52	1,820	820	470

TABLE D(1)

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES
 PLATED TRAIN WEIGHT AND HAVING 3 OR MORE AXLES

RATES FOR FARMERS' GOODS VEHICLES

Plated train weight of tractor unit			Rate of duty	
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	20	150	150	150
20	21	150	150	150
21	22	155	150	150
22	23	160	150	150
23	24	165	150	150

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

Plated train weight of tractor unit			Rate of duty	
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
24	25	170	150	150
25	26	180	155	150
26	27	190	165	150
27	28	200	175	160
28	29	215	190	170
29	30	235	210	185
30	31	255	230	205
31	32	275	250	225
32	32.52	295	270	245

TABLE D(2)

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES
PLATED TRAIN WEIGHT AND HAVING 3 OR MORE AXLES

RATES FOR SHOWMEN'S GOODS VEHICLES

Plated train weight of tractor unit			Rate of duty	
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
tonnes	tonnes	£	£	£
12	18	150	150	150
18	19	150	150	150
19	20	155	155	150
20	21	160	160	150
21	22	170	165	150
22	23	180	170	150
23	24	190	175	150
24	25	200	180	160

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

Plated train weight of tractor unit			Rate of duty	
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi-trailers with not less than two axles	For a tractor unit to be used only with semi-trailers with not less than three axles
25	26	215	190	170
26	27	235	200	180
27	28	255	220	190
28	29	275	240	210
29	30	295	260	230
30	31	320	285	255
31	32	345	310	280
32	32.52	370	335	305

PART B

MODIFICATIONS FOR NORTHERN IRELAND

- 16 (1) The following are the modifications subject to which, by virtue of section 6(4) of this Act, the preceding provisions of this Schedule have effect as Schedule 4 to the Vehicles (Excise) Act (Northern Ireland) 1972.
- (2) For any reference to a plated gross weight or a plated train weight there shall be substituted a reference to a relevant maximum weight or a relevant maximum train weight.
- (3) For any reference in paragraph 5(1) to section 40 or 42 of the Road Traffic Act 1972 there shall be substituted a reference to Article 28 or 29(3) of the Road Traffic (Northern Ireland) Order 1981.
- (4) In paragraph 8(4)(b)(ii) for the words " subsections (5) to (9)" there shall be substituted the words " subsections (5) to (8) ".
- (5) For paragraph 9(1) and (2) there shall be substituted—
- “(1) Any reference in this Schedule to the relevant maximum weight of a goods vehicle or trailer is a reference—
- (a) where the vehicle or trailer is required by regulations under Article 28 of the Road Traffic (Northern Ireland) Order 1981 to have a maximum gross weight in Great Britain for the vehicle or trailer marked on a plate attached to the vehicle or trailer, to the maximum gross weight in Great Britain marked on such a plate ;
 - (b) where a vehicle or trailer on which the maximum gross weight in Great Britain is marked by the same means as would be required by regulations under the said Article 28 if those regulations applied to

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

the vehicle or trailer, to the maximum gross weight in Great Britain so marked on the vehicle or trailer ;

- (c) where a maximum gross weight is not marked on a vehicle or trailer as mentioned in sub-paragraph (a), to the notional maximum gross weight of the vehicle or trailer ascertained in accordance with the Goods Vehicles (Ascertainment of Maximum Gross Weights) Regulations (Northern Ireland) 1976 (or any regulations replacing those regulations, whether with or without amendments).

(2) Any reference in this Schedule to the relevant maximum train weight of a vehicle is a reference to the maximum gross weight which may not be exceeded in Great Britain for an articulated vehicle consisting of the vehicle in question and any semi-trailer which may be drawn by it.”

- (6) In paragraph 12(5)(a) for the words " a farm " there shall be substituted the words " agricultural land ".
- (7) In paragraph 15(1), in the definition of " unladen weight", for the references to the Road Traffic Act 1972 and section 194 of that Act there shall be substituted, respectively, references to the Road Traffic (Northern Ireland) Order 1981 and Article 2(3) of that Order.

SCHEDULE 6

Section 8.

BETTING AND GAMING DUTIES

PART I

GENERAL

- 1 In this Schedule—
the " 1981 Act" means the Betting and Gaming Duties Act 1981; and
the " 1972 Act" means the Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972.

PART II

POOL BETTING DUTIES

- 2 In section 7 of the 1981 Act and section 18(1) of the 1972 Act (rates of duty), as modified by section 2(2) of the Finance Act 1974, for the words " 40 per cent." there shall be substituted the words " 42½ per cent ".

PART III

GAMING LICENCE DUTY

- 3 In section 14 of the 1981 Act (rate of duty) for the Table set out in subsection (1) there shall be substituted the following Table—

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

“TABLE

<i>Part of gross gaming yield</i>	<i>Rate</i>
The first £500,000	5 per cent.
The next £1,750,000	12½ per cent.
The remainder	25 per cent.”.

PART IV

BINGO DUTY

- 4 In section 17 of the 1981 Act (bingo duty) in subsection (2)(a) (duty by reference to amount paid for bingo cards) after the words " the money taken " there shall be inserted the words " (if any) ".
- 5 (1) Schedule 3 to the 1981 Act (exemptions from bingo duty) shall have effect subject to the following provisions of this paragraph.
- (2) For paragraphs 2, 3 and 4 there shall be substituted the following paragraph—

“Small-scale bingo

- 2 (1) Bingo duty shall not be charged in respect of bingo promoted by any person and played on any day in a week (the " chargeable week ") at any premises, other than premises which are licensed under the Gaming Act 1968, if—
- (a) where a person's eligibility to participate in that bingo depends upon his being a member of a particular society or his being a guest of such a member or of the society—
- (i) the total value of the prizes won on any day in a relevant week at those premises in bingo played by members of that society or by guests of such members or of the society does not exceed £300 ; and
- (ii) the total value of prizes won during any relevant week at those premises in bingo played by any such persons does not exceed £1,000 ; and
- (b) in any other case—
- (i) the total value of the prizes won on any day in a relevant week at those premises in bingo promoted by that person does not exceed £300 ; and
- (ii) the total value of the prizes won during any relevant week at those premises in bingo promoted by that person does not exceed £1,000.
- (2) In sub-paragraph (1) above—
- " relevant week", in relation to any chargeable week, means (subject to sub-paragraph (3) below that week or any of the preceding twelve weeks ; and

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

" society" includes any club, institution, organisation or association of persons, by whatever name called, and any separate branch or section of such club, institution, organisation or association but a branch or section shall not be treated as a separate branch or section unless it occupies separate premises.

(3) For the purposes of this paragraph there shall be disregarded any bingo which—

- (a) is played in any week beginning before 27th September 1982; or
- (b) is exempt from duty by virtue of paragraph 5 or 6 below.”

(3) In paragraph 10 (registration of bingo promoters)—

(a) the following sub-paragraph shall be inserted after subparagraph (1)—

“(1A) Any person who is a bingo-promoter but is not registered as such and is not a person to whom sub-paragraph (1) above applies shall within five days of the date on which he became a bingo-promoter (disregarding any day which is a Saturday or a Sunday or a Bank Holiday) notify the Commissioners of that fact and of the place where the bingo was and (if he intends to continue to promote the playing of bingo which will or may be chargeable with duty) is to be played and apply to be registered as a bingo-promoter.”; and

(b) in sub-paragraph (2) of that paragraph for the words " notifies his intention as aforesaid " there shall be substituted the words " gives notice to the Commissioners under sub-paragraph (1) or (1A) above " and at the end of that sub-paragraph there shall be inserted the words—

“Conditions shall not be imposed under this sub-paragraph if the premises at which the bingo in question is or is to be played are not licensed under the Gaming Act 1968.”.

(4) In paragraph 12 (preservation of records by bingo-promoters)—

- (a) in sub-paragraph (1) for the word " bingo-promoter " there shall be substituted the words " promoter of bingo other than bingo which is exempt from duty by virtue of paragraph 1, 5 or 6 above ";
- (b) in sub-paragraph (3) for the words "A bingo-promoter" there shall be substituted the words " Any such promoter of bingo "; and
- (c) in sub-paragraph (4) for the word " bingo-promoters " there shall be substituted the words " such promoters of bingo as aforesaid ".

(5) In paragraph 15 (computation of amount of payments for cards and of the value of prizes) in sub-paragraph (1)—

- (a) for the words from " a bingo-promoter" to " any prize " there shall be substituted the words " a promoter of bingo as to the amount taken by him or on his behalf on a particular occasion as payment by players for cards or as to the value of the prizes won in bingo promoted by him or by any other promoter on one or more occasions, ";
- (b) in sub-paragraph (a) for the words " the bingo-promoter " there shall be substituted the words " the promoter "; and
- (c) in sub-paragraph (b) after the words " amount of duty " there shall be inserted the words " (if any) ".

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

(6) The following sub-paragraph shall be inserted in paragraph 15 after sub-paragraph (3)—

“(4) In any case where a promoter of bingo disputes the amount of duty chargeable to and recoverable from him by reference to bingo which is chargeable to duty by reason only that one or other (or both) of the conditions specified in sub-paragraph (1)(a) of paragraph 2 above is not satisfied with respect to that bingo, any information obtained in pursuance of this Schedule relating to bingo promoted by any other person may be disclosed to him and shall be admissible in evidence in any proceedings against him.”

PART V

GAMING MACHINE LICENCE DUTY

Great Britain

- 6 In sections 21(1) and 24(1) of the 1981 Act (gaming machines which require licences) for the words " a penny machine " there shall be substituted the words " a two-penny machine ".
- 7 In subsection (2) of section 21 of the 1981 Act (duration of licences) at the end of paragraph (b) there shall be added the words “or
- (c) a quarter-year licence for any period of three months beginning on 1st January, 1st April, 1st July or 1st October.”
- 8 In subsection (1) of section 22 of the 1981 Act (charge to duty) in paragraph (b) for the words " the higher or the peak rate " there shall be substituted the words " or the higher rate ".
- 9 In subsection (5) of section 22 of the 1981 Act (lower rate, higher rate and peak rate machines)—
- (a) in paragraph (a) for " 2p " there shall be substituted the words " 5p ; and "; and
- (b) in paragraph (b) for sub-paragraphs (i) and (ii) there shall be substituted the words " in any other case "; and
- (c) paragraph (c) shall be omitted.
- 10 In section 23 of the 1981 Act (amount of duty) the following Tables shall be substituted for the Tables set out in subsection (1)—

“TABLE A

PREMISES WITH LOCAL AUTHORITY APPROVAL

Description of machines authorised by the licence	Duty on whole-year licence
Chargeable at the lower rate	£120 per machine
Chargeable at the higher rate	£300 per machine

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

TABLE B

PREMISES WITHOUT LOCAL AUTHORITY APPROVAL

	Description of machines authorised by the licence	Duty on whole-year licence
	Chargeable at the lower rate	£300 per machine
	Chargeable at the higher rate	£750 per machine”
11	In subsection (2) of section 23 (rate of duty for half-year licence) after the word " eleven-twentieths " there shall be inserted the words " , and on a quarter-year licence six-twentieths, ".	
12	In subsection (6) of section 24 of the 1981 Act (penalty for knowingly or recklessly contravening section 24) for sub-paragraph (a) there shall be substituted the following sub-paragraph— “(a) on summary conviction to a penalty— (i) of the prescribed sum, or (ii) of an amount equal to three times the amount of duty payable on a whole-year gaming machine licence for those premises and that machine or, where more than one machine has been provided on those premises in contravention of this section, those machines (whether or not the duty has been paid), whichever is the greater, or to imprisonment for a term not exceeding six months or to both such penalty and imprisonment;”.	
13	In subsection (4) of section 25 of the 1981 Act (gaming machines playable by more than one person)— (a) after the words " a machine " in the second place where they occur, there shall be inserted the words " other than a two-penny machine "; (b) in paragraph (a) for " 2p " there shall be substituted " 5p "; (c) in paragraph (b) for the words from the beginning to " 5p " there shall be substituted the words " in a case not falling within paragraph (a) above ; " and (d) paragraph (c) shall be omitted.	
14	(1) In section 26 of the 1981 Act, in subsection (2) (interpretation) for the definition of " penny machine" there shall be substituted the following definition: — “" two-penny machine " means a gaming machine which can only be played by the insertion into the machine of a coin or coins of a denomination, or aggregate denomination, not exceeding 2p”.	
	(2) At the end of that section there shall be inserted the following subsection: — “(4) Where the game playable by means of a gaming machine can be played more than once for the insertion of a coin or coins of a denomination, or aggregate denomination, exceeding any sum in pence mentioned in section 22(5) or subsection (2) above, the machine is to be treated for the purposes of those provisions 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	

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play the game once does not exceed that sum or, where the machine provides differing numbers of games in differing circumstances, cannot exceed that sum.”

- 15 In paragraph 4 of Schedule 4 to 1981 Act (licences not required for March or October in certain cases) for the words from " during March or October " to the end there shall be substituted the words "which have local authority approval under the Gaming Acts—
- (a) during March of any year if the provision of the machine on the premises during April of that year has been authorised by a half-year licence or a quarter-year licence ;
 - (b) during October of any year if the provision of the machine on the premises during September of that year has been authorised by a half-year licence or a quarter-year licence."
- 16 At the end of sub-paragraph (3) of paragraph 7 of Schedule 4 to the 1981 Act (expiry of licences) there shall be added the words " and a quarter-year licence shall expire at the end of 31st March, 30th June, 30th September or 31st December, as the case may be, after the date on which it is expressed to take effect ".
- 17 In paragraph 13 of Schedule 4 to the 1981 Act (regulations as to the marking of gaming machines) for the words from " the higher rate" to " penny machines" there shall be substituted the words " or the higher rate or, as the case may be, as being twopenny machines ".

Northern Ireland

- 18 At the end of subsection (3) of section 43 of the 1972 Act (duration of licences) there shall be added the words " or a quarter-year licence for any period of three months beginning on 1st January, 1st April, 1st July or 1st October ".
- 19 (1) In subsection (2) of section 44 of the 1972 Act (charge to duty) for the words " the higher or the peak rate " there shall be substituted the words " or the higher rate ".
- (2) In subsection (3) of that section (lower rate, higher rate and peak rate machines)—
- (a) in paragraph (a) for " £0.02" there shall be substituted " £005 ";
 - (b) in paragraph (b) for the words from " if it can " to the end of the paragraph there shall be substituted the words " in any other case ";
 - (c) paragraph (c) shall be omitted.
- (3) In subsection (4) of that section (rate of duty) for the Table there set out there shall be substituted the following Table—

“TABLE

Description of machines authorised by the licence	Duty on whole-year licence
Chargeable at the lower rate	£300 per machine
Chargeable at the higher rate	£750 per machine”

- (4) In subsection (5) of that section (rate of duty for half-year licences) after the word " eleven-twentieths " there shall be inserted the words " , and on a quarter-year licence six-twentieths, ".

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- (5) In subsection (6) of that section—
- (a) after the words " a machine ", in the first place where they occur, there shall be inserted the words " other than a twopenny machine ";
 - (b) in paragraph (a) for " £0.02 " there shall be substituted " £0.05 ";
 - (c) paragraph (aa) shall be omitted; and
 - (d) in paragraph (b) for the word "peak" there shall be substituted the word " higher ".
- 20 In section 46 of the 1972 Act (gaming machine licences) at the end of subsection (1) there shall be inserted the words " or the machine is a two-penny machine ".
- 21 In subsection (4) of section 48 of the 1972 Act (interpretation) after the definition of " coin " there shall be inserted the following definition—
- “" two-penny machine " means a gaming machine which can only be played by the insertion into the machine of a coin or coins of a denomination, or aggregate denomination, not exceeding 2p”.
- 22 At the end of sub-paragraph (2) of paragraph 9 of Schedule 3 to the 1972 Act (expiry of licences) there shall be added the words " and a quarter-year licence shall expire at the end of 31st March 30th June, 30th September or 31st December, as the case may be, after the date on which it is expressed to take effect ".
- 23 In paragraph 13 of Schedule 3 to the 1972 Act (regulations as to marking of gaming machines) the words " the peak rate " shall cease to have effect.
- 24 In paragraph 14(1) of Schedule 3 to the 1972 Act (penalties for knowingly or recklessly contravening section 46) the following sub-paragraphs shall be substituted for sub-paragraphs (i) and (ii)—
- “(i) on summary conviction to a penalty not exceeding £1,000 or, if greater, of an amount equal to three times the amount of duty payable on a whole-year gaming machine licence for those premises and that machine or, where more than one machine has been provided on those premises in contravention of this section, those machines (whether or not the duty has been paid), or to imprisonment for a term not exceeding 6 months or to both such penalty and imprisonment ;
 - (ii) on conviction on indictment to a penalty of any amount or to imprisonment for a term not exceeding 2 years or to both such penalty and imprisonment.”

SCHEDULE 7

Section 26.

DEDUCTION OF TAX FROM CERTAIN LOAN INTEREST

PART I

RELEVANT LOAN INTEREST

Interpretation

- 1 In this Schedule—
- " the 1967 Act " means the Housing Subsidies Act 1967 ;
 - "the 1972 Schedule" means Schedule 9 to the Finance Act 1972 (relief for interest on loans for purchase or improvement of land etc.);
 - " the 1974 Schedule" means Schedule 1 to the Finance Act 1974 (modification of rules for relief for interest) ;
 - " the 1981 Order " means the Housing (Northern Ireland) Order 1981 ;
 - " notice " means notice in writing ;
 - "prescribed", except in Part IV, means prescribed by the Board;
 - " the principal section " means section 26 of this Act; and
 - " regulations" means regulations made by the Board under section 29 of this Act.

Qualifying conditions

- 2 (1) Subject to the following provisions of this Schedule, interest which is paid and payable in the United Kingdom to a qualifying lender and to which sub-paragraph (2) or sub-paragraph (3) below applies is " relevant loan interest",
- (2) This sub-paragraph applies to interest if—
- (a) it is interest falling within paragraph 1 of the 1972 Schedule (interest on loans for purchase or improvement of land) or paragraph 24 of the 1974 Schedule (interest on loans to purchase life annuities) ; and
 - (b) apart from subsection (1) or subsection (8) of the principal section and, where applicable, paragraph 5 or paragraph 24(3) of the 1974 Schedule (the tax relief limit) the whole of the interest either would be eligible for relief under section 75 of the Finance Act 1972 or would be taken into account in a computation of profits or gains or losses for the purposes of Case I, Case II or Case VI of Schedule D for any year of assessment; and
 - (c) except in the case of interest falling within paragraph 24 of the 1974 Schedule, at the time the interest is paid, the condition in either paragraph 4 or paragraph 4A of the 1974 Schedule is fulfilled with respect to the land, caravan or houseboat to which the loan concerned relates ;
- but, unless sub-paragraph (4) or sub-paragraph (5) below applies, this sub-paragraph does not apply to interest which becomes due before 6th April 1983.
- (3) This sub-paragraph applies to interest which becomes due on or after 1st April 1983 and is payable on a loan—
- (a) in respect of which there is in force on 31st March 1983—

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- (i) an option notice given under section 24(2) of the 1967 Act (option mortgages), other than one falling within section 27(3)(b) of this Act; or
 - (ii) an option notice given under Article 142(2) of the 1981 Order (option mortgages in Northern Ireland), other than one falling within section 27(4)(b) of this Act; and
 - (b) which relates to a dwelling in respect of which, at the time the interest is paid, the condition in paragraph 4 of the 1974 Schedule is fulfilled.
- (4) Sub-paragraph (2) above applies to interest which becomes due on or after 1st April 1983 (instead of 6th April 1983) if the qualifying lender to whom it is payable is either a building society, within the meaning of the Building Societies Act 1962 or the Building Societies Act (Northern Ireland) 1967, or a local authority.
- (5) If an application in that behalf is made to the Board by a qualifying lender, sub-paragraph (2) above applies to interest which becomes due on or after such date as may be specified by the Board for the purposes of that sub-paragraph (instead of 6th April 1983).
- (6) The Board shall not under sub-paragraph (5) above specify a date earlier than 1st March 1983 or later than 5th April 1983 and the Board shall notify the qualifying lender concerned of the date specified under that sub-paragraph.
- (7) Sub-paragraph (2) above does not apply to interest payable on a loan the only security for which is a contract of insurance on human life or a contract to pay an annuity on human life.
- 3 (1) In determining whether sub-paragraph (2) of paragraph 2 above applies to any interest, paragraph 1 of the 1972 Schedule and paragraph 24 of the 1974 Schedule shall each have effect as if the words " or the Republic of Ireland " were omitted.
- (2) In determining whether sub-paragraph (2)(c) of paragraph 2 above applies to any interest, sub-paragraph (1) of paragraph 4 of the 1974 Schedule (restrictions on reliefs under the 1972 Schedule) shall have effect as if—
- (a) in paragraph (a) after the word " used ", where it first occurs, there were inserted the words " wholly or to a substantial extent "; and
 - (b) paragraph (6) (commercial lettings) and the word "or" immediately preceding it were omitted.
- (3) In determining for the purposes of paragraph 2(3)(b) above whether the condition in paragraph 4 of the 1974 Schedule is for the time being fulfilled with respect to any dwelling.—
- (a) sub-paragraph (1) of that paragraph shall have effect as if for the words from " Part I of Schedule 9" to " used " (where it first occurs) there were substituted the words " interest shall not be relevant loan interest for the purposes of section 26 of the Finance Act 1982 unless the dwelling to which the loan relates is at the time the interest is paid used wholly or partly " and paragraph (b) and the word " or " immediately preceding it were omitted ; and
 - (b) sub-paragraph (3) of that paragraph shall have effect as if for the words " land, caravan or house-boat" there were substituted the word " dwelling ".
- (4) Where at a time when interest on a loan (in this sub-paragraph referred to as " the first loan ") is relevant loan interest, the borrower raises another loan to defray money to be applied as mentioned in paragraph 1 of the 1972 Schedule with a view—

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- (a) to the use of other land or another caravan or house-boat wholly or partly as that person's only or main residence, and
- (b) to the disposal of the land, caravan, house-boat or dwelling to which the first loan relates,

then, in relation to interest payable within twelve months from the making of the other loan, the condition in paragraph 4 of the 1974 Schedule shall be treated as continuing to be fulfilled.

- (5) If in a case falling within sub-paragraph (4) above, the interest on the first loan referred to in that sub-paragraph is interest to which paragraph 2(2) above applies and a direction is given under paragraph 6 of the 1974 Schedule extending the period within which Part I of the 1972 Schedule applies to that first loan, sub-paragraph (4) above shall have effect in relation to that case as if for the reference to twelve months there were substituted a reference to such longer period as is specified in the direction.
 - (6) If, in a case falling within sub-paragraph (4) above, the interest on the first loan is interest to which paragraph 2(3) above applies and, having regard to the circumstances of that case, it appears to the Board reasonable to do so, they may direct that, in relation to that case, that sub-paragraph shall have effect as if for the reference to twelve months there were substituted a reference to such longer period as meets the circumstances of that case.
- 4 (1) Notwithstanding anything in paragraph 2 above, interest on a home improvement loan is not relevant loan interest unless—
- (a) the qualifying lender to whom the interest is payable is a building society, within the meaning of the Building Societies Act 1962 or the Building Societies Act (Northern Ireland) 1967, or a local authority or the Northern Ireland Housing Executive ; or
 - (b) the qualifying lender to whom the interest is payable has given notice to the Board in accordance with regulations that he is prepared to have those home improvement loans in respect of which he is the lender and which were made after such date as he may specify in the notice brought within the tax deduction scheme.
- (2) A qualifying lender may not specify a date in a notice under sub-paragraph (1) above which is earlier than the earliest date on which paragraph 2 above applies to interest on any loan (whether or not a home improvement loan) made by him.
- (3) In this paragraph " home improvement loan" means a loan made to defray money applied wholly in improving or developing land or buildings on land or in paying off another loan which was itself to defray money so applied.
- (4) Paragraphs 3 and 4 of the 1972 Schedule (construction of references to money applied in improving or developing land or buildings) shall apply for the purposes of this paragraph as they apply for the purposes of Part I of that Schedule.

Loans over the tax relief limit

- 5 (1) The provisions of this paragraph have effect in relation to a loan where, by virtue of sub-paragraphs (1) and (2) of paragraph 5 or paragraph 24(3) of the 1974 Schedule (the limit on eligibility for tax relief), only part of the interest on the loan would (apart from the principal section) be eligible for relief under section 75 of the Finance Act 1972; and in this paragraph any such loan is referred to as a " limited loan ".

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- (2) None of the interest on a limited loan is relevant loan interest unless the qualifying lender to whom the interest is payable has given notice to the Board in accordance with regulations that he is prepared to have limited loans of a description which includes that limited loan brought within the tax deduction scheme.
- (3) If, in a case where sub-paragraph (2) above applies, paragraph 5(2) of the 1974 Schedule requires another loan to be taken into account for the purpose of determining that part of the limited loan interest on which would (apart from the principal section) be eligible for relief as mentioned in sub-paragraph (1) above, none of the interest on the limited loan is relevant loan interest unless that other loan was made by the same qualifying lender as the limited loan.
- (4) Where notice has been given as mentioned in sub-paragraph (2) above and, if sub-paragraph (3) above also applies, the condition in that sub-paragraph is fulfilled only so much of the interest as (apart from the principal section) would be eligible for relief under section 75 of the Finance Act 1972 is relevant loan interest.

Joint borrowers

- 6 (1) Where a loan on which interest is payable by the borrower was made jointly to the borrower and another person who is not the borrower's husband or wife, the interest on the loan is not relevant loan interest unless—
 - (a) each of the persons to whom the loan was made is a qualifying borrower; and
 - (b) in relation to each of them considered separately, the whole of that interest is relevant loan interest, in accordance with the preceding provisions of this Part of this Schedule.
- (2) References in this paragraph to the borrower's husband or wife do not include references to a separated husband or wife, and for this purpose " separated " has the same meaning as in Part II of the 1974 Schedule.

PART II

APPLICATION OF THE PRINCIPAL SECTION

- 7 (1) The principal section does not apply to any relevant loan interest unless either—
 - (a) in the case of a loan of a description specified by regulations for the purposes of this sub-paragraph, the borrower or, in the case of joint borrowers, each of them has given notice to the lender in the prescribed form certifying—
 - (i) that he is a qualifying borrower ; and
 - (ii) that the interest is relevant loan interest; and
 - (iii) such other matters as may be prescribed ; or
 - (b) the Board have given notice to the lender and the borrower that the interest may be paid under deduction of tax ; or
 - (c) it is interest to which paragraph 2(3) above applies ; or
 - (d) the loan to which the interest relates was made, subject to sub-paragraph (4) below, before 1st April 1983 and is of a description specified by regulations for the purposes of this sub-paragraph.
- (2) Where notice has been given as mentioned in paragraph (a) or paragraph (b) of sub-paragraph (1) above, the principal section applies to any relevant loan interest to

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which the notice relates and which becomes due on or after the relevant date, as defined in sub-paragraph (3) below; and in a case falling within paragraph (c) or paragraph (d) of sub-paragraph (1) above, the principal section applies to the relevant loan interest referred to in that paragraph.

- (3) In the case of a notice under paragraph (a) of sub-paragraph (1) above, the relevant date is the date the notice is given and, in the case of a notice under paragraph (b) of that paragraph, the relevant date is a date specified in the notice as being the relevant date (which may be earlier than the date so specified as the date from which the interest may be paid under deduction of tax).
- (4) In the case of relevant loan interest—
- (a) which falls within sub-paragraph (2) of paragraph 2 above, and
 - (b) to which sub-paragraph (4) or sub-paragraph (5) of that paragraph does not apply, for the reference in sub-paragraph (1)(4) above to 1st April 1983 there shall be substituted a reference to 6th April 1983.
- (5) In the case of relevant loan interest—
- (a) which falls within sub-paragraph (2) of paragraph 2 above, and
 - (b) to which sub-paragraph (5) of that paragraph applies,
- for the reference in sub-paragraph (1)(d) above to 1st April 1983 there shall be substituted a reference to the date specified by the Board and notified under sub-paragraph (6) of paragraph 2 to the qualifying lender to whom the interest is payable.
- 8 (1) If at any time—
- (a) the interest on a loan ceases to be relevant loan interest, or
 - (b) a person making payments of relevant loan interest ceases to be a qualifying borrower,
- the borrower shall give notice of that fact to the lender.
- (2) Without prejudice to sub-paragraph (3) below, in relation to a payment of interest—
- (a) which is due after the time referred to in sub-paragraph (1) above and before the date on which notice is given under that sub-paragraph, and
 - (b) from which a deduction was made as mentioned in subsection (1) of the principal section,
- the principal section, except subsection (8), shall have effect as if the payment were a payment of relevant loan interest made by a qualifying borrower.
- (3) Nothing in sub-paragraph (2) above entitles the borrower to any relief from tax or other benefit and, accordingly, where the amount of any such relief or other benefit which is allowed by virtue of that sub-paragraph exceeds that which ought to have been allowed, he shall be liable to make good the excess and an inspector may make such assessments as may in his judgment be required for recovering the excess.
- (4) The Taxes Management Act 1970 shall apply to an assessment under this paragraph as if it were an assessment to tax for the year of assessment in which the relief was given and as if—
- (a) the assessment were among those specified in sections 55(1) (recovery of tax not postponed) and 86(2) (interest on overdue tax) of that Act; and
 - (b) the sum charged by the assessment were tax specified in paragraph 3 of the Table in section 86(4) of that Act (reckonable date).

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- 9 (1) If, as a result of receiving a notice under paragraph 8 above or otherwise, a qualifying lender has reason to believe that any interest is no longer relevant loan interest or that a borrower is no longer a qualifying borrower, the lender shall furnish the Board with such information as is in his possession with respect to those matters.
- (2) At the end of the second column of the Table in section 98 of the Taxes Management Act 1970 (penalty for failure to furnish information etc.) there shall be inserted—

“Paragraph 9(1) of Schedule 7 to the Finance Act 1982”.

- 10 (1) Where it appears to the Board that any of the provisions of Part I of this Schedule is not or may not be fulfilled with respect to any interest, or that a qualifying borrower has or may have ceased to be a qualifying borrower, they shall give notice of that fact to the lender and the borrower specifying the description of relevant loan interest concerned or, as the case may be, that the borrower has or may have ceased to be a qualifying borrower.
- (2) The principal section shall not apply to any payment of relevant loan interest of a description to which a notice under sub-paragraph (1) above relates and which becomes due or is made after such date as may be specified in the notice and before such date as may be specified in a further notice given by the Board to the lender and the borrower.
- 11 In any case where—
- (a) the principal section applies to any relevant loan interest by virtue of a notice under paragraph 7(1)(b) above, and
 - (b) the relevant date specified in the notice is earlier than the date from which the interest begins to be paid under deduction of tax, and
 - (c) a payment of that interest was made on or after the relevant date but not under deduction of tax,
- regulations may provide for a sum to be paid by the Board of an amount equal to that which the borrower would have been able to deduct from that payment by virtue of the principal section if it had been made after the relevant date.
- 12 (1) No obligation as to secrecy imposed by statute or otherwise on persons employed in relation to Inland Revenue shall prevent information relating to any loan in respect of which an option notice has been given as mentioned in paragraph 2(3) (a) above from being disclosed to the Secretary of State or the Department of the Environment for Northern Ireland, or to an officer of either of them authorised to receive such information, in connection with the exercise by the Secretary of State or that Department of any of his or their functions in relation to any such loan.
- (2) Sub-paragraph (1) above extends only to disclosure by or under the authority of the Inland Revenue; and information which is disclosed to any person by virtue of sub-paragraph (1) above shall not be further disclosed to any other person unless—
- (a) it could have been disclosed to that other person in accordance with sub-paragraph (1) above ; or
 - (b) the disclosure is made for the purposes of any civil or criminal proceedings concerned with the loan to which the disclosure relates.

PART III

QUALIFYING BORROWERS

- 13 (1) Subject to the provisions of this paragraph, an individual is for the purposes of the principal section and this Schedule a qualifying borrower with respect to the interest on any loan.
- (2) In relation to interest paid at a time when the borrower or the borrower's husband or wife holds an office or employment in respect of the emoluments of which he or she would but for some special exemption or immunity from tax be chargeable to tax under Case I, Case II or Case III of Schedule E, the borrower is not a qualifying borrower.
- (3) In sub-paragraph (2) above references to the borrower's husband or wife do not include references to a separated husband or wife, and for this purpose "separated" has the same meaning as in Part II of the 1974 Schedule.

PART IV

QUALIFYING LENDERS

- 14 (1) The following bodies are qualifying lenders for the purposes of the principal section and Parts I to III of this Schedule: —
- (a) a building society within the meaning of the Building Societies Act 1962 or the Building Societies Act (Northern Ireland) 1967;
 - (b) a local authority ;
 - (c) the Bank of England ;
 - (d) the Post Office ;
 - (e) a company which is authorised under section 3 or section 4 of the Insurance Companies Act 1981 to carry on in the United Kingdom any of the classes of business specified in Schedule 1 to that Act;
 - (f) a trustee savings bank within the meaning of the Trustee Savings Bank Act 1981 ;
 - (g) a registered friendly society or branch, within the meaning of the Friendly Societies Act 1974 or the Friendly Societies Act (Northern Ireland) 1970 ;
 - (h) a development corporation within the meaning of the New Towns Act 1981 or the New Towns (Scotland) Act 1968 ;
 - ((j)) the Commission for the New Towns ;
 - (k) the Housing Corporation;
 - (l) the Northern Ireland Housing Executive ;
 - (m) the Scottish Special Housing Association ;
 - (n) the Development Board for Rural Wales ;
 - (o) any of the following which is prescribed under sub-paragraph (2) below, namely, a recognised bank or licensed institution, within the meaning of the Banking Act 1979, a company which is authorised as mentioned in paragraph (e) above to carry on in the United Kingdom any of the classes of business specified in Schedule 2 to the Insurance Companies Act 1981, and a 90 per cent, subsidiary of any such bank, institution or company or of a company within paragraph (e) above.

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- (2) The Treasury may by order prescribe for the purposes of this Part of this Schedule generally or in relation to any specified description of loan any of the bodies referred to in paragraph (o) of sub-paragraph (1) above ; and a body which is prescribed by such an order shall become a qualifying lender for the purposes referred to in that sub-paragraph generally or, as the case may be, in relation to such description of loan as is specified in the order with effect from the beginning of the first year of assessment which begins after the date on which the order is made.
- 15 Without prejudice to paragraph 14 above, in relation to interest to which sub-paragraph (3) of paragraph 2 above applies, the person who, as a qualifying lender for the purposes of Part II of the 1967 Act or Part VIU of the 1981 Order, was the lender in relation to the loan referred to in that sub-paragraph shall also be a qualifying lender for the purposes of the principal section and Parts I to III of this Schedule.

SCHEDULE 8

Section 47.

SUB-CONTRACTORS IN THE CONSTRUCTION INDUSTRY

- 1 In section 70 of the Finance (No. 2) Act 1975, at the beginning of subsection (1) there shall be inserted the words " Subject to the provisions of regulations under this section or section 70A of this Act ".
- 2 In subsection (2)(c) of that section, for the words "by virtue of " there shall be substituted the words " in accordance with ".
- 3 In subsection (4) of that section, at the end there shall be added the words " (not being a certificate to the holder of which section 70A below would apply) ".
- 4 In subsection (7) of that section, after paragraph (g) there shall be inserted the words "and
- (h) excluding payments from the operation of this section where, in such circumstances as may be specified in the regulations, the requirements of regulations relating to the production of certificates or the obtaining, production or surrender of vouchers have not been complied with ; ”.
- 5 After that section there shall be inserted—

“70A Provision for limited exception from section 69.

- (1) This section applies to the holder of a certificate in force under section 70 of this Act if it was issued to him on the basis—
- (a) that the condition in paragraph 2 of Part I of Schedule 12 to this Act was inapplicable to him by reason of sub-paragraph (1)(b) of that paragraph, or
- (b) that he satisfied that condition by virtue of sub-paragraph (5) of that paragraph.
- (2) The Board may make regulations securing that a person to whom this section applies shall not be excepted from section 69 of this Act in relation to a payment to the extent that the amount of the payment, or the aggregate

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amount of the payment and such other payments as may be prescribed by the regulations, exceeds a limit so prescribed.

(3) Regulations under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the House of Commons.”

6 In section 71 of that Act, for subsection (5) there shall be substituted—

“(5) A payment (including a payment by way of loan) that has the effect of discharging an obligation under a contract relating to construction operations shall be taken to be made under the contract; and if—

- (a) the obligation is to make a payment to a person within paragraphs (i) to (iii) of section 69(1) of this Act, but
- (b) the payment discharging that obligation is made to a person not within those paragraphs,

the payment shall be taken to be made to the first-mentioned person.”

7 In paragraph 2 of Part I of Schedule 12 to that Act, in sub-paragraph (1) for the words from the beginning to " must" there shall be substituted the words

“Unless the applicant—

- (a) is the holder of a certificate in force under section 70 of this Act (other than a holder to whom section 70A applies), or
- (b) supplies the Board with a guarantee by such person, for such amount and in such form as may be prescribed in regulations made by the Board,

he must”.

8 In sub-paragraph (2) of that paragraph for the words from " who " to " this condition" there shall be substituted the words " shall be treated as satisfying the condition in sub-paragraph (1) above ".

9 (1) At the end of that paragraph there shall be added—

“(5) If the applicant satisfies the Board that he has during any period within six years before the date of his application attended a school or other establishment for the purpose of receiving full-time education or full-time training, this paragraph shall have effect as if that period were one during which he was employed as mentioned in sub-paragraph (1) above.”

(2) This paragraph shall not have effect in relation to applications made before the coming into operation of regulations under section 70A of the Finance (No. 2) Act 1975.

10 After paragraph 2 of Part I of Schedule 12 to that Act there shall be inserted—

“2A The applicant must not be receiving full-time education or full-time training”.

11 In paragraph 3 of Part I of that Schedule, in sub-paragraph (1) for the words " the Income Tax Acts " there shall be substituted the words " the Tax Acts ".

12 After sub-paragraph (1) of that paragraph there shall be inserted—

“(1A) An applicant who at any time in the qualifying period had control of a company shall be taken not to satisfy the condition in sub-paragraph (1) above unless the company has satisfied that condition in relation to

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periods ending at a time within that period when he had control of it; and for this purpose "control" has the meaning assigned to it by section 534 of the Taxes Act."

- 13 In sub-paragraph (2) of that paragraph for the word " who " there shall be substituted the words " or company that ".
- 14 In paragraph 1 of Part II of that Schedule, in sub-paragraph (1) after the words "this Act" where they first appear there shall be inserted the words " (other than a holder to whom section 70A applies) ".
- 15 In paragraph 2 of Part IV of that Schedule, in sub-paragraph (1) for the words " the Income Tax Acts, the Corporation Tax Acts " there shall be substituted the words " the Tax Acts ".

SCHEDULE 9

Section 53.

PURCHASE OF OWN SHARES BY UNQUOTED TRADING COMPANY

Conditions for application of section 53(1)

- 1 (1) The vendor must be resident and ordinarily resident in the United Kingdom in the year of assessment in which the purchase is made and if the shares are held through a nominee the nominee must also be so resident and ordinarily resident.
- (2) The residence and ordinary residence of trustees shall be determined for the purposes of this paragraph as they are determined under section 52 of the Capital Gains Tax Act 1979 for the purposes of that Act.
- (3) The residence and ordinary residence of personal representatives shall be taken for the purposes of this paragraph to be the same as the residence and ordinary residence of the deceased immediately before his death.
- (4) The references in this paragraph to a person's ordinary residence shall be disregarded in the case of a company.
- 2 (1) The shares must have been owned by the vendor throughout the period of five years ending with the date of the purchase.
- (2) If at any time during that period the shares were transferred to the vendor by a person who was then his spouse living with him then, unless that person is alive at the date of the purchase but is no longer the vendor's spouse living with him, any period during which the shares were owned by that person shall be treated for the purposes of sub-paragraph (1) above as a period of ownership by the vendor.
- (3) Where the vendor became entitled to the shares under the will or on the intestacy of a previous owner—
- (a) any period during which the shares were owned by the previous owner or his personal representatives shall be treated for the purposes of sub-paragraph (1) above as a period of ownership by the vendor, and
- (b) that sub-paragraph shall have effect as if it referred to three years instead of five.
- (4) Where the vendor is a personal representative of a deceased owner—

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- (a) any period during which the shares were owned by the deceased shall be treated for the purposes of sub-paragraph (1) above as a period of ownership by the vendor, and
 - (b) that sub-paragraph shall have effect as if it referred to three years instead of five.
- (5) In determining whether the condition in this paragraph is satisfied in a case where the vendor acquired shares of the same class at different times—
 - (a) shares acquired earlier shall be taken into account before shares acquired later, and
 - (b) any previous disposal by him of shares of that class shall be assumed to be a disposal of shares acquired later rather than of shares acquired earlier.
- (6) If for the purposes of capital gains tax the time when shares were acquired would be determined under any provision of Chapter II of Part IV of the Capital Gains Tax Act 1979 (reorganisation of share capital, conversion of securities, etc.) then, subject to sub-paragraph (7) below, it shall be determined in the same way for the purposes of this paragraph.
- (7) Sub-paragraph (6) above shall not apply to shares allotted for payment or comprised in share capital to which section 34 of the Finance (No. 2) Act 1975 (stock dividends) applies.
- 3 (1) If immediately after the purchase the vendor owns shares of the company, then, subject to paragraph 9 below, his interest as a shareholder must be substantially reduced.
- (2) Subject to sub-paragraph (3) below the vendor's interest as a shareholder shall be taken to be substantially reduced if and only if the total nominal value of the shares owned by him immediately after the purchase, expressed as a fraction of the issued share capital of the company at that time, does not exceed 75 per cent, of the corresponding fraction immediately before the purchase.
- (3) The vendor's interest as a shareholder shall not be taken to be substantially reduced where—
 - (a) he would, if the company distributed all its profits available for distribution immediately after the purchase, be entitled to a share of those profits, and
 - (b) that share, expressed as a fraction of the total of those profits, exceeds 75 per cent, of the corresponding fraction immediately before the purchase.
- (4) In determining for the purposes of sub-paragraph (3) above the division of profits among the persons entitled to them, a person entitled to periodic distributions calculated by reference to fixed rates or amounts shall be regarded as entitled to a distribution of the amount or maximum amount to which he would be entitled for a year.
- (5) In sub-paragraph (3) above " profits available for distribution " has the same meaning as it has for the purposes of Part III of the Companies Act 1980, but subject to sub-paragraph (6) below.
- (6) For the purposes of sub-paragraph (3) above the amount of the profits available for distribution (whether immediately before or immediately after the purchase) shall be treated as increased—
 - (a) in the case of every company, by £100, and

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- (b) in the case of a company from which any person is entitled to periodic distributions of the kind mentioned in sub-paragraph (4) above, by a further amount equal to that required to make the distribution to which he is entitled in accordance with that sub-paragraph :

and where the aggregate of the sums payable by the company on the purchase and on any contemporaneous redemption, repayment or purchase of other shares of the company exceeds the amount of the profits available for distribution immediately before the purchase, that amount shall be treated as further increased by an amount equal to the excess.

- (7) References in this paragraph to entitlement are, except in the case of trustees and personal representatives, references to beneficial entitlement.
- 4 (1) If immediately after the purchase any associate of the vendor owns shares of the company then, subject to paragraph 9 below, the combined interests as shareholders of the vendor and his associates must be substantially reduced.
- (2) The question whether the combined interests as shareholders of the vendor and his associates are substantially reduced shall be determined in the same way as is (under paragraph 3 above) the question whether a vendor's interest as a shareholder is substantially reduced, except that the vendor shall be assumed to have the interests of his associates as well as his own.
- 5 (1) This paragraph applies where the company making the purchase is immediately before the purchase a member of a group and either—
- (a) immediately after the purchase the vendor owns shares of one or more other members of the group (whether or not he then owns shares of the company making the purchase), or
 - (b) immediately after the purchase the vendor owns shares of the company making the purchase and immediately before the purchase he owned shares of one or more other members of the group;
- and in the following provisions of this paragraph "relevant company" means the company making the purchase and any other member of the group in which the vendor owns shares immediately before or immediately after the purchase.
- (2) Where this paragraph applies then, subject to paragraph 9 below, the vendor's interest as a shareholder in the group must be substantially reduced.
- (3) The vendor's interest as a shareholder in the group shall be ascertained by-
- (a) expressing the total nominal value of the shares owned by him in each relevant company as a fraction of the issued share capital of the company,
 - (b) adding together the fractions so obtained, and
 - (c) dividing the result by the number of relevant companies (including any in which he owns no shares).
- (4) Subject to sub-paragraph (5) below, the vendor's interest as a shareholder in the group shall be taken to be substantially reduced if and only if it does not exceed 75 per cent, of the corresponding interest immediately before the purchase.
- (5) The vendor's interest as a shareholder in the group shall not be taken to be substantially reduced if—
- (a) he would, if every member of the group distributed all its profits available for distribution immediately after the purchase (including any profits received

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- by it on a distribution by another member), be entitled to a share of the profits of one or more of them, and
- (b) that share, or the aggregate of those shares, expressed as a fraction of the aggregate of the profits available for distribution of every member of the group which is—
- (i) a relevant company, or
 - (ii) a 51 per cent, subsidiary of a relevant company,
- exceeds 75 per cent, of the corresponding fraction immediately before the purchase.
- (6) Sub-paragraphs (4) to (6) of paragraph 3 above shall apply for the purposes of sub-paragraph (5) above as they apply for the purposes of paragraph 3(3).
- (7) Subject to the following sub-paragraphs, in this paragraph " group " means a company which has one or more 51 per cent, subsidiaries, but is not itself a 51 per cent, subsidiary of any other company, together with those subsidiaries.
- (8) Where the whole or a significant part of the business carried on by an unquoted company (" the successor company ") was previously carried on by—
- (a) the company making the purchase, or
 - (b) a company which is (apart from this sub-paragraph) a member of a group to which the company making the purchase belongs,
- the successor company and any company of which it is a 51 per cent, subsidiary shall be treated as being a member of the same group as the company making the purchase (whether or not, apart from this sub-paragraph, the company making the purchase is a member of a group).
- (9) Sub-paragraph (8) above shall not apply if the successor company first carried on the business there referred to more than three years before the time of the purchase.
- (10) For the purposes of this paragraph a company which has ceased to be a 51 per cent, subsidiary of another company before the time of the purchase shall be treated as continuing to be such a subsidiary if at that time there exist arrangements under which it could again become such a subsidiary.
- 6 (1) This paragraph applies where the company making the purchase is immediately before the purchase a member of a group and at that time an associate of the vendor owns shares of any member of the group.
- (2) Where this paragraph applies then, subject to paragraph 9 below, the combined interests as shareholders in the group of the vendor and his associates must be substantially reduced.
- (3) The question whether the combined interests as shareholders in the group of the vendor and his associates are substantially reduced shall be determined in the same way as is (under paragraph 5 above) the question whether a vendor's interest as a shareholder in a group is substantially reduced, except that the vendor shall be assumed to have the interests of his associates as well as his own (and references in paragraph 5(3) to (5) to a relevant company shall be construed accordingly).
- (4) For the purposes of this paragraph "group" has the same meaning as it has for the purposes of paragraph 5 above.

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- 7 (1) The vendor must not immediately after the purchase be connected with the company making the purchase or with any company which is a member of the same group as that company.
- (2) For the purposes of this paragraph "group" has the same meaning as it has for the purposes of paragraph 5 above.
- (3) This paragraph has effect subject to paragraph 9 below.
- 8 (1) The purchase must not be part of a scheme or arrangement which is designed or likely to result in the vendor or any associate of his having interests in any company such that, if he had those interests immediately after the purchase, any of the conditions in paragraphs 3 to 7 above could not be satisfied.
- (2) A transaction occurring within one year after the purchase shall be deemed for the purposes of sub-paragraph (1) above to be part of a scheme or arrangement of which the purchase is also part.
- (3) This paragraph has effect subject to paragraph 9 below.
- 9 (1) Where—
- (a) any of the conditions in paragraphs 3 to 8 above which are applicable are not satisfied in relation to the vendor, but
- (b) he proposed or agreed to the purchase in order that the condition in paragraph 4(1) or 6(2) could be satisfied in respect of the redemption, repayment or purchase of shares owned by a person of whom he is an associate,
- this paragraph applies to the purchase to the extent that that result is produced by virtue of the purchase.
- (2) Where this paragraph applies, section 53(1) of this Act shall have effect as if the conditions in paragraphs 3 to 8 above were satisfied in relation to the vendor.

Administration

- 10 (1) A payment made by a company on the redemption, repayment or purchase of its own shares shall be deemed to be one to which section 53 of this Act applies if, before it is made, the Board have on the application of the company notified the company that they are satisfied that the section will apply.
- (2) A payment made by a company on the redemption, repayment or purchase of its own shares shall be deemed to be one to which section 53 of this Act does not apply if, before it is made, the Board have on the application of the company notified the company that they are satisfied that the section will not apply.
- (3) An application under this paragraph shall be in writing and shall contain particulars of the relevant transactions ; and the Board may, within thirty days of the 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.
- (4) If a notice under sub-paragraph (3) above 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.

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- (5) 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 (3) above, within thirty days of the notice being complied with.
- (6) If particulars furnished under this paragraph do not fully and accurately disclose all facts and circumstances material for the decision of the Board, any resulting notification by the Board shall be void.
- 11 (1) A company which treats a payment made by it as one to which section 53 of this Act applies shall within sixty days after making the payment make a return to the inspector giving particulars of the payment and of the circumstances by reason of which section 53 is regarded as applying to it.
- (2) Where a company treats a payment made by it as one to which section 53(1) of this Act applies, any person connected with the company who knows of any such scheme or arrangement affecting the payment as is mentioned in paragraph 8 above shall, within sixty days after he first knows of both the payment and the scheme or arrangement, give a notice in writing to the inspector containing particulars of the scheme or arrangement.
- 12 (1) Where the inspector has reason to believe that a payment treated by the company making it as one to which section 53(1) of this Act applies may form part of a scheme or arrangement of the kind referred to in subsection (1)(b) of that section or in paragraph 8 above, he may by notice in writing require the company or any person who is connected with the company to furnish him within such time, not being less than sixty 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 arrangement exists or has existed, and
- (b) such other information as the inspector may reasonably require for the purposes of the provision in question and the company or that person has or can reasonably obtain.
- (2) The recipient of a payment treated by the company making it as one to which section 53 of this Act applies, 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.
- 13 (1) The Table in section 98 of the Taxes Management Act 1970 shall be amended as follows.
- (2) At the end of the first column there shall be added—

“Paragraph 12 of Schedule 9 to the Finance Act 1982.”

- (3) At the end of the second column there shall be added—

“Paragraph 11 of Schedule 9 to the Finance Act 1982.”

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Interpretation

- 14 (1) Any question whether a person is an associate of another in relation to a company shall be determined for the purposes of this Schedule in accordance with the following provisions of this paragraph.
- (2) A husband and wife living together are associates of one another.
- (3) A person under the age of eighteen is an associate of his parents, and his parents are his associates.
- (4) A person connected with a company is an associate of the company and of any company controlled by it, and the company and any company controlled by it are his associates.
- (5) Where a person connected with one company has control of another company, the second company is an associate of the first.
- (6) Where shares of a company are held by trustees (other than bare trustees) then in relation to that company, but subject to sub-paragraph (9) below, the trustees are associates of—
- (a) any person who directly or indirectly provided property to the trustees or has made a reciprocal arrangement for another to do so, and
 - (b) any person who is, by virtue of sub-paragraph (2) or (3) above, an associate of a person within paragraph (a) above, and
 - (c) any person who is or may become beneficially entitled to a significant interest in the shares ;
- and any such person is an associate of the trustees.
- (7) Where shares of a company are comprised in the estate of a deceased person, then in relation to that company the deceased's personal representatives are associates of any person who is or may become beneficially entitled to a significant interest in the shares, and any such person is an associate of the personal representatives.
- (8) Where one person is accustomed to act on the directions of another in relation to the affairs of a company, then in relation to that company the two persons are associates of one another.
- (9) Sub-paragraph (6) above shall not apply to shares held on trusts which—
- (a) relate exclusively to an exempt approved scheme as defined in Chapter II of Part II of the Finance Act 1970, or
 - (b) are exclusively for the benefit of the employees, or the employees and directors, of the company referred to in that sub-paragraph or of companies in a group to which that company belongs, or their dependants (and are not wholly or mainly for the benefit of directors or their relatives);
- and for the purposes of this sub-paragraph " group " means a company which has one or more 51 per cent, subsidiaries, together with those subsidiaries.
- (10) For the purposes of sub-paragraphs (6) and (7) above a person's interest is significant if its value exceeds 5 per cent, of the value of all the property held on the trusts or, as the case may be, comprised in the estate concerned, excluding any property in which he is not and cannot become beneficially entitled to an interest.

- 15 (1) Any question whether a person is connected with a company shall be determined for the purposes of this Schedule in accordance with the following provisions of this paragraph.
- (2) A person is connected with a company if he directly or indirectly possesses or is entitled to acquire more than 30 per cent, of—
- (a) the issued ordinary share capital of the company, or
 - (b) the loan capital and issued share capital of the company, or
 - (c) the voting power in the company.
- (3) Where a person—
- (a) acquired or became entitled to acquire loan capital of a company in the ordinary course of a business carried on by him, being a business which includes the lending of money, and
 - (b) takes no part in the management or conduct of the company,
- his interest in that loan capital shall be disregarded for the purposes of sub-paragraph (2) above.
- (4) A person is connected with a company if he directly or indirectly possesses or is entitled to acquire such rights as would, in the event of the winding up of the company or in any other circumstances, entitle him to receive more than 30 per cent, of the assets of the company which would then be available for distribution to equity holders of the company; and for the purposes of this sub-paragraph—
- (a) the persons who are equity holders of the company, and
 - (b) the percentage of the assets of the company to which a person would be entitled,
- shall be determined in accordance with paragraphs 1 and 3 of Schedule 12 to the Finance Act 1973, taking references in paragraph 3 to the first company as references to an equity holder and references to a winding up as including references to any other circumstances in which assets of the company are available for distribution to its equity holders.
- (5) A person is connected with a company if he has control of it.
- (6) References in this paragraph to the loan capital of a company are references to any debt incurred by the company—
- (a) for any money borrowed or capital assets acquired by the company, or
 - (b) for any right to receive income created in favour of the company, or
 - (c) for consideration the value of which to the company was (at the time when the debt was incurred) substantially less than the amount of the debt (including any premium thereon).
- (7) For the purposes of this paragraph a person shall be treated as entitled to acquire anything which he is entitled to acquire at a future date or will at a future date be entitled to acquire.
- (8) For the purposes of this paragraph a person shall be assumed to have the rights or powers of his associates as well as his own.
- 16 (1) In section 53 of this Act and in this Schedule—
- " control" has the meaning assigned to it by section 534 of the Taxes Act;

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

" personal representatives " means persons responsible for administering the estate of a deceased person ;

" quoted company " means a company whose shares (or any class of whose shares) are listed in the official list of a stock exchange ;

" shares " includes stock ;

" trade " does not include dealing in shares, securities, land or 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 of the carrying on of a trade or trades, and for this purpose "group" means a company which has one or more 75 per cent, subsidiaries together with those subsidiaries ;

" unquoted company " means a company which is neither a quoted company nor a 51 per cent, subsidiary of a quoted company.

- (2) References in section 53 of this Act and in this Schedule to the owner of shares are references to the beneficial owner except where the shares are held on trusts (other than bare trusts) or are comprised in the estate of a deceased person, and in such a case are references to the trustees or, as the case may be, to the deceased's personal representatives.
- (3) References in section 53 of this Act and in this Schedule to a payment made by a company include references to anything else that is, or would but for section 53 be, a distribution.

SCHEDULE 10

Section 62.

INCOME TAX : MAINTENANCE FUNDS FOR HISTORIC BUILDINGS

Finance Act 1977

- 1 (1) Section 38 of the Finance Act 1977 shall be amended as follows.
- (2) In subsection (1) for the words from "the Treasury" to " 1976 " there shall be substituted the words " a direction has effect under section 93 of the Finance Act 1982 ".
- (3) For subsection (5) there shall be substituted—
- “(5) Where—
- (a) for part of a year of assessment a direction under the said section 93 has effect and circumstances obtain by virtue of which income arising from property comprised in the settlement is treated as income of a settlor under the said Part XVI; and
- (b) for the remainder of that year either no such direction has effect, or no such circumstances obtain, or both,

the foregoing provisions of this section shall apply as if each of those parts were a separate year of assessment and separate elections may be made accordingly.”

Finance Act 1980

- 2 (1) Section 52 of the Finance Act 1980 shall be amended as follows.
 - (2) In subsection (1)—
 - (a) for the words from " the Treasury " to " 1976 " there shall be substituted the words " a direction has effect under section 93 of the Finance Act 1982 ";
 - (b) after paragraph (b) there shall be inserted the words " or (c) the direction ceases to have effect".
 - (3) In subsections (2) and (3) for the words " subsection (3)(a)(i) or (ii) of the said section 84" there shall be substituted the words " subsection (3)(a)(i) or (ii) of the said section 93 ".
 - (4) In subsection (7) for the words from "if" to the end there shall be substituted the words "if either—
 - (a) it ceases to be comprised in the first-mentioned settlement and becomes comprised in the other settlement in circumstances such that by virtue of paragraph 3(1) of Schedule 16 to the Finance Act 1982 there is (or, but for paragraph 3(4), there would be) no charge to capital transfer tax in respect of the property, or
 - (b) both immediately before and immediately after the transfer it is property in respect of which a direction has effect under section 93 of that Act."
- 3 (1) Section 53 of the Finance Act 1980 shall be amended as follows.
 - (2) In subsection (1)—
 - (a) for the words " subsection (3) of section 84 of the Finance Act 1976" there shall be substituted the words " subsection (3) of section 93 of the Finance Act 1982 ";
 - (b) in paragraph (a) for the words " section 84 " there shall be substituted the words " section 93 ";
 - (c) at the beginning of paragraph (b) there shall be inserted the words " while such a direction has effect ".
 - (3) In subsection (2) after the word "shall" there shall be inserted the words " (while such a direction has effect) ".
 - (4) In subsection (4) for the words from " if " to the end there shall be substituted the words " if either—
 - (a) it becomes comprised in another settlement in circumstances such that by virtue of paragraph 3(1) of Schedule 16 to the Finance Act 1982 there is (or, but for paragraph 3(4), there would be) no charge to capital transfer tax in respect of the property so ceasing, or
 - (b) both immediately before and immediately after its so ceasing it is property in respect of which a direction has effect under section 93 of that Act."

SCHEDULE 11

Section 70.

CAPITAL ALLOWANCES FOR ASSETS LEASED OUTSIDE THE UNITED KINGDOM

Interpretation

- 1 In this Schedule " the principal section " means section 70 of this Act.

Separate pooling of writing-down allowances

- 2 In any case where section 44 of the Finance Act 1971 has effect as mentioned in paragraphs (a) to (e) of subsection (2) of the principal section, section 44 shall apply separately with respect to expenditure falling within subsection (1) of the principal section and with respect to other expenditure.

Recovery of excess relief

- 3 (1) In relation to expenditure falling within subsection (1) of the principal section, section 66 of the Finance Act 1980 shall apply subject to the following modifications:
 —
- (a) any reference in that section to machinery or plant (or a new ship) being used otherwise than for a qualifying purpose shall be construed as a reference to its being used as mentioned in paragraphs (a) and (b) of subsection (3) of the principal section ; and
 - (b) any reference in section 66 to a first-year allowance shall be construed as including a reference to a writing-down allowance of an amount determined without regard to subsection (2) of the principal section ; and
 - (c) the reference in subsection (1)(b) of section 66 to section 44 of the Finance Act 1971, as it has effect in accordance with section 65 of the Finance Act 1980, shall be construed as including a reference to section 44 as it has effect as mentioned in paragraphs (b) to (e) of subsection (2) of the principal section; and
 - (d) in determining the amount of any excess relief under section 66 in a case where that section had previously applied, account shall be taken of the relief already recovered.
- (2) If subsection (7) of section 66 of the Finance Act 1980 has already applied in relation to expenditure on a new ship before subsection (1) of the principal section applied to that expenditure, then, on the subsequent application of the said subsection (7) by virtue of sub-paragraph (1)(a) above, paragraph (b) of that subsection shall not again apply.
- 4 (1) Subject to sub-paragraph (3) below, the provisions of sub-paragraph (2) below apply where—
- (a) by virtue of subsection (5) of the principal section any amount falls to be treated as if it were a balancing charge, and
 - (b) the person on whom the balancing charge is, by virtue of that subsection, to be made acquired the machinery or plant in question as a result of a transaction which was, or a series of transactions each of which was, between connected persons, and

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- (c) a first-year allowance, a balancing allowance, or a writing down allowance in respect of expenditure on the provision of that machinery or plant has been made to any of those persons.
- (2) Where this sub-paragraph applies—
- (a) subsection (5) of the principal section shall have effect as if it referred to the allowances specified in sub-paragraph (1)(c) above; and
 - (b) for the purposes of that subsection any consideration paid or received on a disposal of the machinery or plant between connected persons shall be disregarded ; and
 - (c) if a balancing allowance or balancing charge is made in respect of the machinery or plant, there shall be made such adjustments of the relief falling to be taken into account by virtue of paragraph (a) above as are just and reasonable in the circumstances.
- (3) Sub-paragraph (2) above does not apply where section 154(2), section 155(1), or section 255 (2) of the Taxes Act or sub-paragraph
- (a) or sub-paragraph (b) of paragraph 13 of Schedule 8 to the Finance Act 1971 (succession to trades) applied on the occasion of the transaction or transactions referred to in sub-paragraph (1)(6).
- (4) Section 533 of the Taxes Act (connected persons) applies for the purposes of this paragraph.

Information

- 5
- (1) The obligation to give notice by virtue of subsection (2) or subsection (3) of section 67 of the Finance Act 1980 where machinery or plant becomes used otherwise than for a qualifying purpose shall arise a second time where machinery or plant which has been used otherwise than for a qualifying purpose but not as mentioned in paragraphs (a) and (b) of subsection (3) of the principal section subsequently becomes used as mentioned in those paragraphs.
 - (2) In the case of any expenditure in respect of which a first-year allowance has not been made but a writing-down allowance of an amount determined without regard to subsection (2) of the principal section has been or may be made, then—
 - (a) any reference in subsections (2), (3) and (4) of section 67 of the Finance Act 1980 to a first-year allowance shall be construed as a reference to a writing-down allowance of an amount so determined ; and
 - (b) any reference in those subsections to the use of machinery or plant otherwise than for a qualifying purpose shall be construed as a reference to the use of machinery or plant as mentioned in paragraphs (a) and (b) of subsection (3) of the principal section.

Joint lessees

- 6
- (1) The provisions of this paragraph have effect where machinery or plant is leased to two or more persons jointly and at least one of the joint lessees is a person falling within paragraphs (a) and (b) of subsection (1) of the principal section (in this paragraph referred to as a " non-resident lessee ").
 - (2) Where this paragraph applies, any reference in section 68 of the Finance Act 1980 to the requisite period shall be construed in accordance with subsection (3) of the

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principal section, whether or not there is also a joint lessee who is not a non-resident lessee.

- (3) If the circumstances are such that no first-year allowance has been or may be made in respect of any part of the expenditure on the provision of the machinery or plant in question, the principal section shall apply in relation to that expenditure as if all the joint lessees were non-resident lessees.
- (4) Where, by virtue of subsection (3), subsection (4) or subsection (5) of section 68 of the Finance Act 1980 (cases of joint lessees where first-year allowances may be or have been made) section 44 of the Finance Act 1971 has effect (directly or through the operation of section 66 of the Finance Act 1980) in relation to the whole or any part of the expenditure on the machinery or plant in question, it shall have effect, in accordance with subsection (2) of the principal section, as if that expenditure were expenditure falling within subsection (1) of that section.

SCHEDULE 12

Section 76.

CAPITAL ALLOWANCES FOR DWELLING-HOUSES LET ON ASSURED TENANCIES

Initial allowances

- 1 (1) Subject to the provisions of this Schedule, where an approved body incurs capital expenditure on the construction of a building which is to be or to include a qualifying dwelling-house, then, for the chargeable period related to the incurring of that expenditure an allowance (in this Schedule referred to as an "initial allowance") shall be made to that body in respect of each qualifying dwelling-house to be comprised in the building.
- (2) An initial allowance in respect of a qualifying dwelling-house shall be of an amount equal to three-quarters of the capital expenditure appropriate to that dwelling-house.
- (3) No initial allowance shall be made in respect of any expenditure if, when the dwelling-house to which it relates comes to be used, it is not a qualifying dwelling-house; and where an initial allowance has been granted in respect of any expenditure otherwise than in accordance with the provisions of this paragraph, all such assessments shall be made as are necessary to secure that effect is given to those provisions.
- (4) For the purposes of this Schedule, the capital expenditure appropriate to a dwelling-house shall be determined as follows: —
 - (a) if the building concerned consists of a single qualifying dwelling-house, then, subject to the relevant limit, the whole of the capital expenditure referred to in sub-paragraph (1) above is appropriate to that dwelling-house; and
 - (b) in the case of a dwelling-house which forms part of a building, the capital expenditure appropriate to it is, subject to the relevant limit, the aggregate of—
 - (i) that proportion of the capital expenditure referred to in sub-paragraph (1) above which is properly attributable to the construction of that dwelling-house; and

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- (ii) where there are common parts of the building, such proportion of the capital expenditure on those common parts as it is just and reasonable to attribute to the dwelling-house and as does not exceed one-tenth of that proportion of the capital expenditure referred to in paragraph (i) above;

and in this Schedule " the relevant limit" means £60,000, if the dwelling-house is in Greater London, and £40,000 if it is elsewhere

- (5) In sub-paragraph (4) above " common parts ", in relation to a building, means common parts of the building which—
 - (a) are not intended to be in separate occupation (whether for domestic, commercial or other purposes); and
 - (b) are intended to be of benefit to some or all of the qualifying dwelling-houses included in the building;

and the capital expenditure on any such parts of the building is so much of the expenditure referred to in sub-paragraph (1) above as it is just and reasonable to attribute to those parts.

Writing-down allowances

- 2 (1) Subject to the provisions of this Schedule, where—
 - (a) an approved body or a body which has been an approved body is, at the end of a chargeable period or its basis period, entitled to an interest in a building, and
 - (b) at the end of that chargeable period or its basis period, the building is or includes a qualifying dwelling-house or two or more qualifying dwelling-houses, and
 - (c) that interest is the relevant interest in relation to the capital expenditure incurred on the construction on that building,an allowance (in this Schedule referred to as " a writing-down allowance ") shall be made to that body for that chargeable period in respect of the dwelling-house or, as the case may be, each dwelling-house falling within paragraph (b) above.
- (2) The writing-down allowance in respect of a dwelling-house shall be equal to one twenty-fifth of the capital expenditure which is appropriate to that dwelling-house, except that for a chargeable period of less than a year that fraction shall be proportionately reduced.
- (3) If, in the case of a building which is or includes a qualifying dwelling-house.—
 - (a) the interest which is the relevant interest in relation to any expenditure is sold, and
 - (b) the sale is an event to which paragraph 4(1) below applies,then (subject to any further adjustment under this sub-paragraph on a later sale) the writing-down allowance in respect of that dwelling-house for any chargeable period, if that chargeable period or its basis period ends after the time of the sale, shall be the residue, as denned in paragraph 7(1) below, of that expenditure immediately after the sale, reduced in the proportion (if it is less than one) which the length of the chargeable period bears to the part unexpired at the date of the sale of the period of 25 years beginning with the time when the building was first used.
- (4) Notwithstanding anything in the preceeding provisions of this paragraph, in no case shall the amount of a writing-down allowance made to a body for any chargeable

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period in respect of any expenditure exceed what, apart from the writing-off falling to be made by reason of the making of that allowance, would be the residue of that expenditure at the end of that chargeable period of its basis period.

Qualifying dwelling-house

- 3 (1) In this Schedule " qualifying dwelling-house " means, subject to the following provisions of this paragraph, a dwelling-house let on a tenancy which is for the time being an assured tenancy, within the meaning of section 56 of the Housing Act 1980.
- (2) Without prejudice to section 57 of the Housing Act 1980 (by virtue of which certain tenancies continue to be treated as assured tenancies notwithstanding that the landlord has ceased to be an approved body by reason of a variation in the description of bodies for the time being approved) a dwelling-house which has been a qualifying dwelling-house by virtue of sub-paragraph (1) above shall be regarded as a qualifying dwelling-house at any time when—
- (a) it is for the time being subject to regulated tenancy or a housing association tenancy ; and
 - (b) the landlord under that tenancy either is an approved body or was an approved body but has ceased to be such for any reason.
- (3) Notwithstanding that a dwelling-house is let as mentioned in sub-paragraph (1) or sub-paragraph (2) above, it is not a qualifying dwelling-house for the purposes of this Schedule—
- (a) unless the landlord is for the time being entitled to the relevant interest in the dwelling-house or is the person who incurred the capital expenditure on the construction of the building in which the dwelling-house is comprised ; or
 - (b) if the landlord is a housing association which is approved for the purposes of section 341 of the Taxes Act (cooperative housing associations) or is a self-build society, within the meaning of Part I of the Housing Act 1974 ; or
 - (c) if the landlord and the tenant are connected persons ; or
 - (d) if the tenant is a director of a company which is or is connected with the landlord ; or
 - (e) if the landlord is a close company and the tenant is, for the purposes of Chapter III of Part XI of the Taxes Act, a participator in that company or an associate of such a participator ; or
 - (f) if the tenancy is entered into as part of an arrangement between the landlords (or owners) of different dwelling houses under which one landlord takes a person as a tenant in circumstances where, if that person was the tenant of a dwelling-house let by the other landlord, that dwelling-house would not be a qualifying dwelling-house by virtue of any of paragraphs (c) to (e) above ;
- and section 533 of the Taxes Act (connected persons) applies for the purposes of this sub-paragraph.
- (4) In this paragraph " regulated tenancy " and " housing association tenancy " have the same meaning as in the Rent Act 1977.

Balancing allowances and balancing charges

- 4 (1) Where any capital expenditure has been incurred on the construction of such a building as is referred to in paragraph 1(1) above and any of the following events

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occur while a dwelling-house comprised in that building is a qualifying dwelling-house, that is to say—

- (a) the relevant interest in the dwelling-house is sold, or
- (b) that interest, being a leasehold interest, comes to an end otherwise than on the person entitled to it acquiring the interest which is reversionary on it, or
- (c) the dwelling-house is demolished or destroyed or, without being demolished or destroyed, ceases altogether to be used,

then, subject to sub-paragraph (2) below, for the chargeable period related to that event an allowance or charge (in this Schedule referred to as a "balancing allowance" or a "balancing charge") shall, in the circumstances mentioned below, be made to or, as the case may be, on the person entitled to the relevant interest immediately before that event occurs.

- (2) No balancing allowance or balancing charge shall be made by reason of any event occurring more than twenty-five years after the dwelling-house was first used.
- (3) Subject to paragraph 5 below, where there are no sale, insurance, salvage or compensation moneys, or where the residue of the expenditure immediately before the event exceeds those moneys, a balancing allowance shall be made and the amount of it shall be the amount of that residue or, as the case may be, of the excess of that residue over those moneys.
- (4) Subject to paragraph 5 below, if the sale, insurance, salvage or compensation moneys exceed the residue, if any, of the expenditure immediately before the event, a balancing charge shall be made, and the amount on which it is made shall be an equal amount to the excess or, where the residue is nil, to those moneys.
- (5) The provisions of section 78 of and Schedule 7 to the Capital Allowances Act 1968 (special provisions as to certain sales) apply for the purposes of this Schedule as they apply in relation to the sale of an industrial building and as if—
 - (a) any reference in those provisions to Part I of that Act included a reference to this Schedule; and
 - (b) for the words in sub-paragraph (2)(a) of paragraph 4 of that Schedule following "the case of" there were substituted the words "a qualifying dwelling-house, the residue of the expenditure immediately before the sale, computed in accordance with paragraph 7 of Schedule 12 to the Finance Act 1982"; and
 - (c) for paragraphs (a) and (b) of sub-paragraph (3) of paragraph 4 of that Schedule there were substituted the words "both the seller and the buyer are at the time of the sale approved bodies, as denned in section 56(4) of the Housing Act 1980".
- (6) For the purposes of this Schedule, any transfer of the relevant interest in a dwelling-house, otherwise than by way of sale, shall be treated as a sale of that interest for a price other than that which it would have fetched if sold on the open market; and if Schedule 7 to the Capital Allowances Act 1968 would not, apart from this sub-paragraph have effect in relation to a transfer treated as a sale by virtue of this sub-paragraph, that Schedule shall have effect in relation to it as if it were a sale falling within paragraph 1(1)(a) of that Schedule.
- (7) Notwithstanding anything in the preceding provisions of this paragraph (or in paragraph 5 below), in no case shall the amount on which a balancing charge is made on any person in respect of any expenditure on the construction of a dwelling-house comprised in a building exceed the amount of the initial allowance, if any, made to

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him in respect of the expenditure appropriate to that dwelling-house together with the amount of any writing-down allowances made to him in respect of that expenditure for chargeable periods which end on or before the date of the event giving rise to the charge or of which the basis periods ends on or before that date.

- 5 (1) If, in a case where paragraph 4(1) above applies, a dwelling-house which had been a qualifying dwelling-house was not, for any part of the relevant period, such a dwelling-house, the provisions of this paragraph shall have effect instead of sub-paragraphs (3) and (4) of paragraph 4 above.
- (2) Subject to sub-paragraph (4) below, where the sale, insurance, salvage or compensation moneys are not less than the capital expenditure appropriate to the dwelling-house, a balancing charge shall be made and the amount on which it is made shall be an amount equal to the allowances given.
- (3) Subject to sub-paragraph (4) below, where there are no sale, insurance, salvage or compensation moneys or where those moneys are less than the capital expenditure appropriate to the dwelling-house, then—
- (a) if the adjusted net cost of the dwelling-house exceeds the allowances given, a balancing allowance shall be made and the amount thereof shall be an amount equal to the excess ;
 - (b) if the adjusted net cost of the dwelling-house is less than the allowances given, a balancing charge shall be made and the amount on which it is made shall be an amount equal to the shortfall.
- (4) No balancing charge or allowance shall be made under this paragraph on the occasion of a sale if, by virtue of paragraph 4 of Schedule 7 to the Capital Allowances Act 1968, as applied by paragraph 4(5) above, the dwelling-house is treated as having been sold for a sum equal to the residue of the expenditure before sale.
- (5) In this paragraph—
- " the relevant period " means the period beginning at the time when the dwelling-house was first used for any purpose and ending with the event giving rise to the balancing allowance or balancing charge, except that where there has been a sale of the dwelling-house after that time and before that event the relevant period shall begin on the day following that sale or, if there has been more than one such sale, the last such sale ;
- " the capital expenditure " means—
- (a) where paragraph (b) of this definition does not apply, the capital expenditure incurred (or by virtue of paragraph 8 below deemed to have been incurred) on the construction of the dwelling-house ;
 - (b) where the person to or on whom the balancing allowance or balancing charge falls to be made is not the person who incurred (or is deemed to have incurred) that expenditure the residue of that expenditure at the beginning of the relevant period, together (in either case) with any amount to be added to the residue of that expenditure by virtue of paragraph 7(9) below;
- " the allowances given " means the allowance referred to in paragraph 4(7) above ;
- " the adjusted net cost " means—
- (a) where there are no sale, insurance, salvage or compensation moneys, the capital expenditure appropriate to the dwelling-house ; and

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- (b) where those moneys are less than that expenditure, the amount by which they are less,
reduced (in either case) in the proportion that the part or the aggregate of the parts, of the relevant period for which the building is a qualifying dwelling-house bears to the whole of that period.
- 6 (1) If a dwelling-house ceases to be a qualifying dwelling-house otherwise than by reason of a sale or transfer of the relevant interest in it, that relevant interest shall be treated for the purposes of this Schedule as having been sold, at the time the dwelling-house ceases to be a qualifying dwelling-house, for the price which it would have fetched if sold in the open market.
- (2) For the purposes of this Schedule, a dwelling-house shall not be regarded as ceasing altogether to be used by reason that it falls temporarily out of use, and where, immediately before any period of temporary disuse, it is a qualifying dwelling-house, it shall be regarded as continuing to be a qualifying dwelling-house during the period of temporary disuse.

Writing off of expenditure and meaning of "residue of expenditure"

- 7 (1) Any expenditure appropriate to a qualifying dwelling-house shall be treated for the purposes of this Schedule as written off to the extent and as at the times specified below, and the references in this Schedule to the residue of any such expenditure shall be construed accordingly.
- (2) Where an initial allowance is made in respect of a qualifying dwelling-house, the amount of that allowance shall be treated as written off as at the time when the qualifying dwelling-house is first used.
- (3) Where, by reason of the whole or part of a building being at any time a qualifying dwelling-house, a writing-down allowance is made for any chargeable period in respect of the expenditure, the amount of that allowance shall, subject to sub-paragraph (4) below, be treated as written off as at that time.
- (4) Where, at a time which is material for the purposes of sub-paragraph (3) above, an event occurs which gives rise or may give rise to a balancing allowance or balancing charge, the amount directed to be treated as written off by that sub-paragraph as at that time shall be taken into account in computing the residue of that expenditure immediately before that event for the purpose of determining whether any and if so what balancing allowance or balancing charge is to be made.
- (5) If, for any period or periods between the time when the whole or part of a building was first used for any purpose and the time at which the residue of the expenditure falls to be ascertained, the building or part, as the case may be, has not been a qualifying dwelling-house, there shall in ascertaining that residue be treated as having been previously written off in respect of the said period or periods amounts equal to writing-down allowances made for chargeable periods of a total length equal thereto at such rate or rates as would have been appropriate having regard to any sale on which paragraph 2(3) above operated.
- (6) Where, on the occasion of a sale, a balancing allowance is made in respect of the expenditure, there shall be treated as written off as at the time of the sale the amount by which the residue of the expenditure before the sale exceeds the net proceeds of the sale.

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- (7) Where, on the occasion of a sale, a balancing charge is made in respect of the expenditure, the residue of the expenditure shall be deemed for the purposes of this Schedule to be increased as at the time of the sale by the amount on which the charge is made.
- (8) Where, on the occasion of a sale, a balancing charge is made under paragraph 5(3)(b) above in respect of the expenditure and, apart from this sub-paragraph, the residue of the expenditure immediately after the sale would by virtue of sub-paragraph (7) above be deemed to be greater than the net proceeds of the sale, the residue immediately after the sale shall be deemed for the purposes of this Schedule to be equal to the net proceeds.
- (9) Where a dwelling-house is demolished, and the demolition gives rise, or might give rise, to a balancing allowance or charge under this Schedule to or on the person incurring the cost of demolition, the net cost to him of the demolition (that is to say the excess, if any, of the cost of the demolition over any moneys received for the remains of the property) shall be added for the purposes of this Schedule to the residue, immediately before the demolition, of the expenditure appropriate to the dwelling-house; and if this sub-paragraph applies to the net cost to a person of the demolition of any property, the cost or net cost shall not be treated, for the purpose of this Schedule, as expenditure incurred in respect of any other property by which that property is replaced.

Buildings bought unused

- 8 (1) Subject to sub-paragraph (2) below, where expenditure is incurred on the construction of such a building as is referred to in paragraph 1(1) above and the relevant interest in that building is sold before any of the dwelling-houses comprised in it are used.—
 - (a) the expenditure actually incurred on the construction of the building shall be left out of account for the purposes of the preceding provisions of this Schedule ; but
 - (b) the person who buys that interest shall be deemed for those purposes to have incurred, on the date when the purchase price becomes payable, expenditure on the construction of the building equal to the expenditure actually incurred or to the net price paid by him for that interest, whichever is the less.
- (2) Where the relevant interest in such a building as is referred to in paragraph 1(1) above is sold more than once before any of the dwelling-houses comprised in it is used, the provisions of sub-paragraph (1)(b) above shall have effect only in relation to the last of those sales.
- (3) Where the expenditure incurred on the construction of such a building as is referred to in paragraph 1(1) above was incurred by a person carrying on a trade which consists, as to the whole or any part thereof, in the construction of buildings with a view to their sale, and, before any of the dwelling-houses comprised in it is used, he sells the relevant interest in the building in the course of that trade, or, as the case may be, of that part of that trade, paragraph (b) of sub-paragraph (1) above shall have effect subject to the following modifications—
 - (a) if that sale is the only sale of the relevant interest before any of the dwelling-houses comprised in the building is used that paragraph shall have effect as if the words " the expenditure actually incurred or to " and the words " whichever is the less " were omitted, and

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- (b) in any other case, that paragraph shall have effect as if the reference to the expenditure actually incurred on the construction of the building were a reference to the price paid on that sale.

Manner of making allowances and charges

- 9 (1) Any allowance under this Schedule shall be made to a person by way of discharge or repayment of tax and shall be available primarily against the following income, that is to say—
 - (a) income taxed under Schedule A in respect of any premises which at any time in the chargeable period consist of a qualifying dwelling-house ; or
 - (b) income which is subject of a balancing charge under this Schedule.
- (2) Effect shall be given to a balancing charge to be made on a person—
 - (a) if it is a charge to income tax, by making the charge under Case VI of Schedule D,
 - (b) if it is a charge to corporation tax, by treating the amount on which the charge is to be made as income of the description in sub-paragraph (1)(a) above.

Expenditure on repair of buildings

- 10 This Schedule shall have effect in relation to capital expenditure incurred by a person on repairs to any part of a building as if it were capital expenditure incurred by him in the construction for the first time of that part of the building.

Exclusion of double allowances

- 11 No allowance shall be made under this Schedule in respect of any expenditure on a building or in respect of a dwelling-house if for the same or any other chargeable period an allowance is or can be made under any provisions of Chapter V of Part I of the Capital Allowances Act 1968 (agricultural land or buildings) in respect of that expenditure or that dwelling-house.

Holding over by lessee etc.

- 12 (1) Where the relevant interest in relation to the capital expenditure incurred on the construction of a building is an interest under a lease, this Schedule shall have effect subject to the following provisions of this paragraph, and in those provisions—
 - (a) except in sub-paragraph (5), any reference to a lessor or lessee is a reference to the lessor or lessee under that lease ; and
 - (b) in sub-paragraph (5) the reference to the first lease is a reference to that lease.
- (2) Where, with the consent of the lessor, a lessee of any building remains in possession thereof after the termination of the lease without a new lease being granted to him, that lease shall be deemed for the purposes of this Schedule to continue so long as he remains in possession as aforesaid.
- (3) Where, on the termination of a lease, a new lease is granted to the lessee in pursuance of an option available to him under the terms of the first lease, the provisions of this Schedule shall have effect as if the second lease were a continuation of the first lease.
- (4) Where, on the termination of a lease, the lessor pays any sum to the lessee in respect of a building comprised in the lease, the provisions of this Schedule shall have effect

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as if the lease had come to an end by reason of the surrender thereof in consideration of the payment.

- (5) Where, on the termination of a lease, another lease is granted to a different lessee and, in connection with the transaction, that lessee pays a sum to the person who was the lessee under the first lease, the provisions of this Schedule shall have effect as if both leases were the same lease and there had been an assignment thereof by the lessee under the first lease to the lessee under the second lease in consideration of the payment.

Meaning of "the relevant interest"

- 13 (1) Subject to the provisions of this paragraph, in this Schedule "the relevant interest" means.—
- (a) in relation to any expenditure incurred on the construction of a building, the interest in that building to which the person who incurred the expenditure was entitled when he incurred it; and
 - (b) in relation to a dwelling-house comprised in such a building as is referred to in paragraph 1(1) above, that interest, to the extent that it subsists in the dwelling-house, which is the relevant interest in relation to the capital expenditure incurred on the construction of that building.
- (2) Where, when it incurs expenditure on the construction of a building, a body is entitled to two or more interests in the building and one of those interests is an interest which is reversionary on all the others, that interest shall be the relevant interest for the purposes of this Schedule.
- (3) An interest shall not cease to be the relevant interest for the purposes of this Schedule by reason of the creation of any lease or other interest to which that interest is subject, and where the relevant interest is a leasehold interest and is extinguished by reason of the surrender thereof or on the body entitled thereto acquiring the interest which is reversionary on it, the interest into which that leasehold interest merges shall thereupon become the relevant interest.

Application of provisions of Capital Allowances Act 1968

- 14 The following provisions of the Capital Allowances Act 1968, namely—
- section 71 to 74 (income tax and corporation tax allowances and charges),
 - section 76 (companies not resident in the United Kingdom), subsections (1) to (3) of section 77 (apportionment of consideration etc.),
 - section 81 (procedure on apportionments),
 - subsections (1) and (3) of section 82 (interpretation of certain references to expenditure etc.), section 84 (subsidies),
 - section 86 (meaning of "sale, insurance, salvage or compensation moneys"),
 - and
 - subsections (1), (3) and (6) of section 87 (interpretation of Part I).
- shall apply for the purposes of this Schedule as they apply for the purposes of Part I of that Act and, accordingly, any reference in those provisions to Part I of that Act shall include a reference to this Schedule.

Interpretation

- 15 (1) In this Schedule—
- " approved body " has the meaning given by section 56(4) of the Housing Act 1980 ;
 - " building", except where the context otherwise requires, includes part of a building ;
 - " dwelling-house " except where the context otherwise requires, has the same meaning as in the Rent Act 1977 ;
 - " expenditure appropriate to a dwelling-house" has the meaning given by paragraph 1(4) above ; and
 - " qualifying dwelling-house " has the meaning given by paragraph 3 above.
- (2) References in this Schedule to expenditure incurred on the construction of a building do not include any expenditure incurred on the acquisition of, or of rights in or over any land.
- (3) A person who has incurred expenditure on the construction of a building shall be deemed, for the purposes of any provision of this Schedule referring to his interest therein at the time when the expenditure was incurred, to have had the same interest therein as if the construction thereof had been completed at that time.
- (4) Without prejudice to any of the other provisions of this Schedule relating to the apportionment of sale, insurance, salvage or compensation moneys, the sum paid on the sale of the relevant interest in a building or structure, or any other sale, insurance, salvage or compensation moneys payable in respect of any building or structure, shall, for the purposes of this Schedule, be deemed to be reduced by an amount equal to so much thereof, as, on a just apportionment, is attributable to assets representing expenditure other than expenditure in respect of which an allowance can be made under this Schedule.

SCHEDULE 13

Sections 86 and 88.

THE INDEXATION ALLOWANCE

PART I

GENERAL

Part disposals

- 1 For the purpose of determining the indexation allowance (if any) on the occasion of a part disposal of an asset, the apportionment under section 35 of the Capital Gains Tax Act 1979 of the sums which make up the relevant allowable expenditure shall be effected before the application of section 87 of this Act and, accordingly, in relation to a part disposal—
- (a) references in section 87 to an item of expenditure shall be construed as references to that part of that item which is so apportioned for the purposes

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of the computation under Chapter II of Part II of that Act of the gross gain on the part disposal; and

- (b) no indexation allowance shall be determined by reference to the part of each item of relevant allowable expenditure which is apportioned to the property which remains undisposed of.

Disposals on a no-gain / no-loss basis

- 2 (1) This paragraph applies to a disposal of an asset which falls within subsection (1)(a) of section 86 of this Act if, by virtue of any enactment other than subsection (5)(b) of that section or any provision of this Schedule, the disposal is treated as one on which neither a gain nor a loss accrues to the person making the disposal.
- (2) In relation to a disposal to which this paragraph applies—
 " the transferor " means the person making the disposal of the asset concerned ; and
 " the transferee " means the person acquiring the asset on the disposal.
- (3) On a disposal to which this paragraph applies and which falls within subsection (1)(b) of section 86 of this Act, the amount of the consideration shall be calculated for the purposes of the Capital Gains Tax Act 1979 on the assumptions that—
 (a) the disposal is one to which that section applies ; and
 (b) on the disposal a gross gain accrues to the transferor which is equal to the indexation allowance on the disposal;
 and, accordingly, the disposal shall be one on which, after taking account of the indexation allowance, neither a gain nor a loss accrues.
- (4) Except as provided by paragraph 3 below, for the purposes of the application of sections 86 and 87 of this Act there shall be disregarded so much of any enactment as provides that, on the subsequent disposal by the transferee of the asset acquired by him on a disposal to which this paragraph applies, the transferor's acquisition of the asset is to be treated as the transferee's acquisition of it.

Subsequent disposals following no-gain / no-loss disposals

- 3 (1) The provisions of this paragraph apply in relation to a disposal by the transferee of the asset acquired by him on a disposal to which paragraph 2 above applies ; and in this paragraph—
 (a) " the initial disposal " means the disposal to which paragraph 2 above applies ;
 (b) " the subsequent disposal " means the disposal to which this paragraph applies; and
 (c) " the transferor " and " the transferee " have the same meaning as in paragraph 2 above.
- (2) If the subsequent disposal is one on which a loss accrues (and, accordingly, is one to which section 86 of this Act does not apply) then, for the purposes of the Capital Gains Tax Act 1979, the amount of that loss shall be taken to be reduced by—
 (a) an amount equal to the indexation allowance (if any) on the initial disposal;
 or
 (b) such an amount as will secure that, on the subsequent disposal, neither a gain nor a loss accrues,

whichever is the less.

- (3) The following provisions of this paragraph apply where the initial disposal is one to which paragraph 2 above applies by reason only of any of the following enactments applying to the initial disposal, namely—
 - (a) section 267 or section 273 of the Taxes Act; or
 - (b) section 44 of the Capital Gains Tax Act 1979 ; or
 - (c) section 148 of this Act.
- (4) For the purpose of calculating the indexation allowance (if any) to which the transferee is entitled on the subsequent disposal in a case where the initial disposal falls within sub-paragraph (3) above and the transferor made that disposal outside the qualifying period.—
 - (a) subsection (1) of section 86 of this Act shall have effect with the omission of paragraph (b); and
 - (b) the indexed rise in any item of relevant allowable expenditure falling within section 32(1)(a) of the Capital Gains Tax Act 1979 shall be calculated as if, in the definition of RI in the formula in section 87(2) of this Act, the words " which is the twelfth month after that" were omitted, and as if section 87(3) (a) of this Act were also omitted.
- (5) For the purpose of calculating the indexation allowance (if any) to which the transferee is entitled on the subsequent disposal in a case where the initial disposal falls within sub-paragraph (3) above and the transferor made that disposal within the qualifying period (so that he was not entitled to any indexation allowance) the transferor's acquisition of the asset shall be treated as being the transferee's acquisition of it.
- (6) If, in a case where sub-paragraph (5) above applies, the subsequent disposal is itself a disposal to which paragraph 2 above applies, that sub-paragraph shall again apply so that the original transferor's acquisition of the asset shall be treated as being the acquisition of it by the transferee under the subsequent disposal; and so on if there is a series of disposals to which paragraph 2 above applies, all occurring within twelve months of the first such disposal.

Receipts etc. which are not treated as disposals but affect relevant allowable expenditure

- 4 (1) This paragraph applies where, in determining the relevant allowable expenditure in relation to a disposal to which section 86 of this Act applies, account is required to be taken, as mentioned in subsection (3) of that section, of any provision of any enactment which, by reference to a relevant event occurring after the beginning of the qualifying period, reduces the whole or any part of an item of expenditure as mentioned in that subsection.
- (2) For the purpose of determining, in a case where this paragraph applies, the indexation allowance (if any) to which the person making the disposal is entitled, no account shall in the first instance be taken of the provision referred to in sub-paragraph (1) above in calculating the indexed rise in the item of expenditure to -which that provision applies but, from that indexed rise as so calculated, there shall be deducted a sum equal to the indexed rise (determined as for the purposes of the actual disposal) in a notional item of expenditure which—
 - (a) is equal to the amount of the reduction effected by the provision concerned; and

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(b) was incurred on the date of the relevant event referred to in sub-paragraph (1) above.

(3) In this paragraph "relevant event" means any event which does not fall to be treated as a disposal for the purposes of the Capital Gains Tax Act 1979.

Reorganisations, reconstructions etc.

5 (1) This paragraph applies where.—

(a) by virtue of section 78 of the Capital Gains Tax Act 1979, on a reorganisation the original shares (taken as a single asset) and the new holding (taken as a single asset) fall to be treated as the same asset acquired as the original shares were acquired; and

(b) on the reorganisation, a person gives or becomes liable to give any consideration for his new holding or any part of it.

(2) Where this paragraph applies, so much of the consideration referred to in sub-paragraph (1)(b) above as, on a disposal to which section 86 of this Act applies of the new holding, will, by virtue of section 79(1) of the Capital Gains Tax Act 1979, be treated as having been given for the original shares, shall be treated for the purposes of section 87 of this Act as an item of relevant allowable expenditure incurred not at the time the original shares were acquired but at the time the person concerned gave or became liable to give the consideration (and, accordingly, subsection (5) of section 87 of this Act shall not apply in relation to that item of expenditure).

(3) In the preceding provisions of this paragraph the expressions "reorganisation", "the original shares" and "the new holding" have the meanings assigned by section 77 of the Capital Gains Tax Act 1979 except that in a case where, by virtue of any other provision of Chapter II of Part IV of that Act (which extends to conversion of securities, company reconstructions and amalgamations etc.) sections 78 and 79 of that Act apply in circumstances other than a reorganisation (within the meaning of section 77 of that Act), those expressions shall be construed in like manner as they fall to be construed in sections 78 and 79 as so applied.

Calls on shares etc.

6 (1) Sub-paragraph (2) below applies where.—

(a) on a disposal to which section 86 of this Act applies, the relevant allowable expenditure is or includes the amount or value of the consideration given for the issue of shares or securities in, or debentures of, a company; and

(b) the whole or some part of that consideration was given after the expiry of the qualifying period.

(2) For the purpose of computing the indexation allowance (if any) on the disposal referred to in sub-paragraph (1)(a) above.—

(a) so much of the consideration as was given after the expiry of the qualifying period shall be regarded as an item of expenditure separate from any consideration given during that period; and

(b) subsection (5) of section 87 of this Act shall not apply to that separate item of expenditure which, accordingly, shall be regarded as incurred at the time the consideration in question was actually given.

Options

- 7 (1) This paragraph applies where, on a disposal to which section 86 of this Act applies, the relevant allowable expenditure includes both—
- (a) the cost of acquiring an option binding the grantor to sell (in this paragraph referred to as " the option consideration "); and
 - (b) the cost of acquiring what was sold as a result of the exercise of the option (in this paragraph referred to as " the sale consideration ").
- (2) Where this paragraph applies, the qualifying period in relation to the disposal referred to in sub-paragraph (1) above shall not begin until the date of the sale resulting from the exercise of the option.
- (3) For the purpose of computing the indexation allowance (if any) on the disposal referred to in sub-paragraph (1) above.—
- (a) the option consideration and the sale consideration shall be regarded as separate items of expenditure ; and
 - (b) subsection (5) of section 87 of this Act shall apply to neither of those items and, accordingly, they shall be regarded as incurred when the option was acquired and when the sale took place, respectively.
- (4) The preceding provisions of this paragraph have effect notwithstanding section 137 of the Capital Gains Tax Act 1979 (under which the grant of an option and the transaction entered into by the grantor in fulfilment of his obligations under the option are to be treated as a single transaction); but expressions used in this paragraph have the same meaning as in that section and subsection (6) of that section (division of consideration for option both to sell and to buy) applies for the purpose of determining the cost of acquiring an option binding the grantor to sell.

PART II

EXISTING SHARE POOLS

- 8 (1) The provisions of this Part of this Schedule have effect in relation to a number of securities of the same class which, immediately before the operative date, are held by one person in one capacity and, by virtue of section 65 of the Capital Gains Tax Act 1979 are to be regarded for the purposes of that Act as indistinguishable parts of a single asset (in that section and in this Part of this Schedule referred to as a holding).
- (2) Subject to paragraph 9 below, on and after the operative date.—
- (a) the holding shall continue to be regarded as a single asset for the purposes of the Capital Gains Tax Act 1979 (but one which cannot grow by the acquisition of additional securities of the same class); and
 - (b) the holding shall be treated for the purposes of section 86 of this Act as having been acquired twelve months before the operative date ; and
 - (c) every sum which, on a disposal of the holding occurring after the operative date, would be an item of relevant allowable expenditure shall be regarded for the purposes of section 87 of this Act as having been incurred at such a time that the month which determines RI, in the formula in subsection (2) of that section, is March 1982.

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- (3) Nothing in sub-paragraph (2) above affects the operation of section 78 of the Capital Gains Tax Act 1979 (equation of original shares and new holding on a reorganisation etc.) in relation to the holding, but without prejudice to paragraph 5 above.
- (4) In this Part of this Schedule " the operative date " means—
- (a) where the holding is held by a company, 1st April 1982 ; and
 - (b) in any other case, 6th April 1982.
- 9 (1) For the purposes of this paragraph there shall be ascertained—
- (a) the amount which would be the relevant allowable expenditure on a disposal of the whole of the holding on the day in 1982 which immediately precedes the operative date ; and
 - (b) the amount which would have been the relevant allowable expenditure on a disposal of the whole of the holding (as then constituted) on the same day in 1981 ;
- and in this paragraph these amounts are referred to as the 1982 amount and the 1981 amount respectively.
- (2) If the 1982 amount exceeds the 1981 amount, paragraph 8(2) above shall not apply to the holding and the following provisions of this paragraph shall have effect in relation to it.
- (3) Where sub-paragraph (2) above applies, the identification rules set out in sub-paragraph (4) below shall be assumed to have applied in relation to every acquisition or disposal of securities which occurred after the day referred to in sub-paragraph (1) (b) above and before the operative date and which, apart from this paragraph, would have increased or reduced the size of the holding; and accordingly—
- (a) only such of the securities (if any) which constituted the holding on that day as are not identified, by virtue of those rules, with securities disposed of before the operative date shall be regarded as constituting the holding on the operative date; and
 - (b) all securities acquired after that day and before the operative date, so far as they are not so identified with securities disposed of before the operative date, shall be regarded as separate assets.
- (4) The identification rules referred to in sub-paragraph (3) above are—
- (a) that securities disposed of on an earlier date shall be identified before securities disposed of on a later date, and the identification of the securities first disposed of shall accordingly determine the securities which could be comprised in the later disposal; and
 - (b) that securities disposed of shall be identified with securities acquired on a later date rather than with securities acquired on an earlier date ; and
 - (c) that securities disposed of shall be identified with securities acquired at different times on any one day in as nearly as may be equal proportions ;
- and these rules shall have priority according to the order in which they are set out above.
- (5) In this paragraph and paragraph 10 below—
- (a) "the reduced holding" means the securities referred to in sub-paragraph (3) (a) above ; and

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- (b) " relevant allowable expenditure " has, in relation to a disposal taking place at any time, the meaning assigned to it by subsection (2)(b) of section 86 of this Act in relation to a disposal to which that section applies.
- (6) Sub-paragraph (2) of paragraph 8 above shall apply in relation to the reduced holding but, so far as paragraph (c) of that sub-paragraph is concerned, subject to paragraph 10(1) below.
- 10 (1) For the purpose of computing the indexation allowance (if any) on a disposal of—
- (a) the reduced holding, or
 - (b) any other securities which, by virtue of sub-paragraph (3)(b) of paragraph 9 above, constitute one or more separate assets,
- the 1982 amount, as defined in that paragraph, shall be apportioned between the reduced holding and that asset or those assets in proportion to the number of securities comprised in each of them on the operative date.
- (2) In relation to a disposal on or after the operative date, the amount apportioned to the reduced holding or to any asset by virtue of sub-paragraph (1) above shall be regarded for all purposes of capital gains tax as the relevant allowable expenditure attributable to the securities comprised in the reduced holding or, as the case may be, in the asset in question.
- (3) For the purposes of section 87(5) of this Act any relevant allowable expenditure which is attributable to any securities by virtue of sub-paragraph (2) above shall be deemed to be expenditure falling within paragraph (a) of subsection (1) of section 32 of the Capital Gains Tax Act 1979.
- 11 In paragraph 2(2) of Schedule 5 to the Capital Gains Tax Act 1979 (identification of quoted securities held on 6th April 1965 with—among other cases—shares or securities subsequently disposed of and in paragraph 13(3) of that Schedule (corresponding provisions for unquoted securities etc.) for the words " earlier time " there shall be substituted the words " later time " and for the words "later time" there shall be substituted the words " earlier time ".

SCHEDULE 14

Section 90.

RATES OF CAPITAL TRANSFER TAX

FIRST TABLE

Portion of value		Rate of tax
Lower limit	Upper limit	Per cent.
£	£	
0	55,000	Nil
55,000	75,000	30
75,000	100,000	35
100,000	130,000	40
130,000	165,000	45

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Portion of value		Rate of tax
165,000	200,000	50
200,000	250,000	55
250,000	650,000	60
650,000	1,250,000	65
1,250,000	2,500,000	70
2,500,000	—	75

SECOND TABLE

Portion of value		Rate of tax
Lower limit	Upper limit	Per cent.
£	£	
0	55,000	Nil
55,000	75,000	15
75,000	100,000	17½
100,000	130,000	20
130,000	165,000	22½
165,000	200,000	25
200,000	250,000	30
250,000	650,000	35
650,000	1,250,000	40
1,250,000	2,500,000	45
2,500,000	—	50

SCHEDULE 15

Section 101.

CAPITAL TRANSFER TAX
Settlements Commencing Before 27th March 1974**PART I**

PERMANENT PROVISIONS

Introductory

- 1 In relation to settlements which commenced before 27th March 1974, sections 109 to 111 of this Act shall have effect subject to the following provisions of this Part of this Schedule.

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Rate of ten-yearly charge

- 2 (1) Section 109(4) shall have effect with the omission of paragraphs (b) and (c).
- (2) Where tax is chargeable under section 107 by reference to a settlement's first ten-year anniversary, section 109(5) shall have effect with the substitution of the following paragraph for paragraph (a)—
- “(a) the amounts of any distribution payments (determined in accordance with the rules applicable before 9th March 1982 under paragraph 11 of Schedule 5 to the Finance Act 1975) made out of the settled property after 26th March 1974 but before 9th March 1982 and within the period of ten years before the anniversary concerned”.
- (3) Where tax is chargeable under section 107 by reference to the second or a subsequent ten-year anniversary of a settlement, section 109(5) shall have effect with the omission of paragraph (a).
- 3 Section 110 shall have effect with the substitution of the following for subsection (3) —
- “(3) Where subsection (1) above applies section 109(5) above shall have effect as if there were added to the aggregate value there mentioned the aggregate of the values transferred by any chargeable transfers made by the settlor in the period of ten years ending with the day on which the chargeable transfer falling within subsection (1) above was made, disregarding transfers made on that day and excluding the values mentioned in subsection (4) below ; and where the settlor made two or more chargeable transfers falling within subsection (1) above, this subsection shall be taken to refer to the transfer in relation to which the aggregate to be added is the greatest.”

Rate before first ten-year anniversary

- 4 (1) For the reference in section 111(1) to the appropriate fraction there shall be substituted a reference to three tenths or, in the case of a charge to which sub-paragraph (2) below applies, one fifth.
- (2) This sub-paragraph applies to a charge imposed under section 108 on an occasion before 1st April 1983 or, where the event occasioning the charge could not have occurred except as the result of some proceedings before a court, before 1st April 1984, if the occasion is one on which settled property ceases to be relevant property either—
- (a) on becoming property to which, or to an interest in possession in which, a qualifying person becomes beneficially entitled, or
- (b) on becoming property to which section 114 applies in circumstances where each of the beneficiaries mentioned in section 114(1)(a) and living when the charge is imposed is a qualifying person.
- (3) A person is a qualifying person for the purposes of sub-paragraph (2) above if he is an individual who is domiciled in the United Kingdom when the charge is imposed and has not at or before that time acquired an interest under the settlement for a consideration in money or money's worth directly or indirectly from a person not so domiciled.
- (4) For the purposes of this paragraph a person shall be treated as acquiring an interest for a consideration in money or money's worth from a person not domiciled in the

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United Kingdom if he becomes entitled to it as a result of transactions which include a disposition of that interest or of other property made for such consideration (whether to him or another) by a person not so domiciled.

- 5 Section 111(4) shall have effect with the substitution of the following paragraphs for paragraphs (a) and (b)—
- “(a) the value transferred by which is equal to the amount on which tax is charged under section 108 above;
 - (b) which is made at the time of that charge to tax by a transferor who has in the period of ten years ending with the day of the occasion of the charge made chargeable transfers having an aggregate value equal to the aggregate of—
 - (i) any amounts on which any charges to tax have been imposed under section 108 above in respect of the settlement in that period of ten years ; and
 - (ii) the amounts of any distribution payments (determined in accordance with the rules applicable before 9th March 1982 under paragraph 11 of Schedule 5 to the Finance Act 1975) made out of the settled property after 26th March 1974 but before 9th March 1982 and within the said period of ten years”.

PART II

ELECTION DURING TRANSITIONAL PERIOD

- 6 (1) This paragraph shall apply to a settlement which commenced before 27th March 1974 if—
- (a) an event occurs before 1st April 1983 on which tax would (apart from this paragraph) be chargeable under this Chapter in respect of the settlement, and
 - (b) a person who would be liable for the tax gives to the Board, not later than the permitted time, written notice that this paragraph is to apply.
- (2) Where this paragraph applies this Chapter shall have effect in relation to events after 31st March 1983 (and not 8th March 1982); and accordingly—
- (a) for the references to 8th March 1982 in sections 93(10), 95(4), 98(7) and 99(1) of this Act there shall be substituted references to 31st March 1983,
 - (b) for the references to 9th March 1982 in sections 109(5)(a), 111(4)(b)(ii) and 113(8)(b) of this Act there shall be substituted references to 1st April 1983, and
 - (c) sections 62(3), 85 and 131 of this Act and Schedule 10 shall have effect in relation to events after 31st March 1983.
- 7 (1) This paragraph shall apply to a settlement in respect of which a notice is duly given under paragraph 6 above if—
- (a) after 31st March 1983 and before 1st April 1984 an event occurs in respect of the settlement which could not have occurred except as the result of some proceedings before a court,
 - (b) the event is one on which tax would (apart from this paragraph) be chargeable under this Chapter, and

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- (c) the Board have not, before the event occurs, accepted a payment in full satisfaction of tax charged under this Chapter in respect of the settlement on another event.
- (2) Where this paragraph applies, paragraph 6(2) above shall have effect with the substitution of " 1984 " for " 1983 " .
- 8 (1) This paragraph shall apply to a settlement which commenced before 27th March 1974 if—
- (a) no event occurs before 1st April 1983 on which tax would (apart from paragraph 6 above) be chargeable under this Chapter in respect of the settlement,
 - (b) after 31st March 1983 and before 1st April 1984 an event occurs in respect of the settlement which could not have occurred except as the result of some proceedings before a court,
 - (c) the event is one on which tax would (apart from this paragraph) be chargeable under this Chapter, and
 - (d) a person who would be liable for the tax gives to the Board, not later than the permitted time, written notice that this paragraph is to apply.
- (2) Where this paragraph applies, this Chapter shall have effect in relation to events after 31st March 1984 (and not 8th March 1982); and accordingly—
- (a) for the references to 8th March 1982 in sections 93(10), 95(4), 98(7) and 99(1) of this Act there shall be substituted references to 31st March 1984,
 - (b) for the references to 9th March 1982 in sections 109(5)(a), 111(4)(b)(ii) and 113(8)(b) of this Act there shall be substituted references to 1st April 1984, and
 - (c) sections 62(3), 85 and 131 of this Act and Schedule 10 shall have effect in relation to events after 31st March 1984.
- 9 In paragraphs 6 and 8 above " the permitted time ", in relation to an event, means the latest time at which an account could be delivered in respect of the event in accordance with paragraph 2 of Schedule 4 to the Finance Act 1975 or, if earlier, the time when the Board first accept a payment in full satisfaction of tax charged under this Chapter in respect of the settlement on that or another event.

SCHEDULE 16

Section 117.

CAPITAL TRANSFER TAX : MAINTENANCE FUNDS FOR HISTORIC BUILDINGS

Property becoming comprised in maintenance funds

- 1 (1) Subject to sub-paragraphs (2) and (3) below, tax shall not be charged under section 108 of this Act in respect of property which ceases to be relevant property on becoming property in respect of which a direction under section 93 of this Act then has effect.
- (2) If the amount on which tax would be charged apart from sub-paragraph (1) above in respect of any property exceeds the value of the property immediately after it becomes property in respect of which the direction has effect (less the amount of any consideration for its transfer received by the trustees of the settlement in which it was

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comprised immediately before it ceased to be relevant property), that sub-paragraph shall not apply but the amount on which tax is charged shall be equal to the excess.

- (3) Sub-paragraph (1) above shall not apply in relation to any property if, at or before the time when it becomes property in respect of which the direction has effect, an interest under the settlement in which it was comprised immediately before it ceased to be relevant property is or has been acquired for a consideration in money or money's worth by the trustees of the settlement in which it becomes comprised on ceasing to be relevant property.
- (4) For the purposes of sub-paragraph (3) above trustees shall be treated as acquiring an interest for a consideration in money or money's worth if they become entitled to the interest as a result of transactions which include a disposition for such consideration (whether to them or to another person) of that interest or of other property.
- (5) Subject to sub-paragraphs (7) and (8) below, tax shall not be charged under section 108 of this Act in respect of property which ceases to be relevant property if within the permitted period an individual makes a transfer of value—
 - (a) which is exempt under section 95 of this Act, and
 - (b) the value transferred by which is attributable to that property.
- (6) In sub-paragraph (5) above " the permitted period" means the period of thirty days beginning with the day on which the property ceases to be relevant property except in a case where it does so on the death of any person, and in such a case means the period of two years beginning with that day.
- (7) Sub-paragraph (5) above shall not apply if the individual has acquired the property concerned for a consideration in money or money's worth; and for the purposes of this sub-paragraph an individual shall be treated as acquiring any property for such consideration if he becomes entitled to it as a result of transactions which include a disposition for such consideration (whether to him or another) of that or other property.
- (8) If the amount on which tax would be charged apart from sub-paragraph (5) above in respect of any property exceeds the value of the property immediately after the transfer there referred to (less the amount of any consideration for its transfer received by the individual), that sub-paragraph shall not apply but the amount on which tax is charged shall be equal to the excess.
- (9) The references in sub-paragraphs (2) and (8) above to the amount on which tax would be charged are references to the amount on which it would be charged apart from—
 - (a) paragraph (b) of section 108(2) of this Act, and
 - (b) Schedule 10 to the Finance Act 1976 (business property) and Schedule 14 to the Finance Act 1981 (agricultural property);
 and the references in those sub-paragraphs to the amount on which tax is charged are references to the amount on which it would be charged apart from that paragraph and those Schedules.

Property leaving maintenance funds: charge to tax

- 2 (1) This paragraph applies to settled property which is held on trusts which comply with the requirements mentioned in subsection (3) of section 93 of this Act, and in respect of which a direction given under that section has effect.

- (2) Subject to paragraphs 3 and 4 below, there shall be a charge to tax under this paragraph—
- (a) where settled property ceases to be property to which this paragraph applies, otherwise than by virtue of an application mentioned in paragraph (a)(i) or (ii) of subsection (3) of section 93 of this Act or by devolving on any such body or charity as is mentioned in paragraph (a)(ii) of that subsection ;
 - (b) in a case in which paragraph (a) above does not apply, where the trustees make a disposition (otherwise than by such an application) as a result of which the value of settled property to which this paragraph applies is less than it would be but for the disposition.
- (3) Subsections (4), (5) and (9) of section 113 of this Act shall apply for the purposes of this paragraph as they apply for the purposes of that section (with the substitution of a reference to sub-paragraph (2)(b) above for the reference in section 113(4) to section 113(2)(b)).
- (4) The rate at which tax is charged under this paragraph shall be determined in accordance with paragraphs 5 to 9 below.
- (5) The devolution of property on a body or charity shall not be free from charge by virtue of sub-paragraph (2)(a) above if, at or before the time of devolution, an interest under the settlement in which the property was comprised immediately before the devolution is or has been acquired for a consideration in money or money's worth by that or another such body or charity ; but for the purposes of this sub-paragraph any acquisition from another such body or charity shall be disregarded.
- (6) For the purposes of sub-paragraph (5) above a body or charity shall be treated as acquiring an interest for a consideration in money or money's worth if it becomes entitled to the interest as a result of transactions which include a disposition for such consideration (whether to that body or charity or to another person) of that interest or of other property.

Property leaving maintenance funds: exceptions from charge

- 3 (1) Subject to sub-paragraphs (3) and (4) below, tax shall not be charged under paragraph 2 above in respect of property which, within the permitted period after the occasion on which tax would be chargeable under that paragraph, becomes comprised in another settlement as a result of a transfer of value which is exempt under section 95 of this Act.
- (2) In sub-paragraph (1) above "the permitted period" means the period of thirty days except in a case where the occasion referred to is the death of the settlor, and in such a case means the period of two years.
- (3) Sub-paragraph (1) above shall not apply to any property if the person who makes the transfer of value has acquired it for a consideration in money or money's worth; and for the purposes of this sub-paragraph a person shall be treated as acquiring any property for such consideration if he becomes entitled to it as a result of transactions which include a disposition for such consideration (whether to him or another) of that or other property.
- (4) If the amount on which tax would be charged apart from sub-paragraph (1) above in respect of any property exceeds the value of the property immediately after it becomes comprised in the other settlement (less the amount of any consideration

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for its transfer received by the person who makes the transfer of value), that sub-paragraph shall not apply but the amount on which tax is charged shall be equal to the excess.

- (5) The reference in sub-paragraph (4) above to the amount on which tax would be charged is a reference to the amount on which it would be charged apart from—
- (a) section 113(5)(b) of this Act (as applied by paragraph 2(3) above), and
 - (b) Schedule 10 to the Finance Act 1976 (business property) and Schedule 14 to the Finance Act 1981 (agricultural property);
- and the reference in that sub-paragraph to the amount on which tax is charged is a reference to the amount on which it would be charged apart from section 113(5)(b) and those Schedules.
- 4 (1) Subject to the following provisions of this paragraph, tax shall not be charged under paragraph 2 above in respect of property which ceases to be property to which that paragraph applies on becoming—
- (a) property to which the settlor or his spouse is beneficially entitled, or
 - (b) property to which the settlor's widow or widower is beneficially entitled if the settlor has died in the two years preceding the time when it becomes such property.
- (2) If the amount on which tax would be charged apart from sub-paragraph (1) above in respect of any property exceeds the value of the property immediately after it becomes property of a description specified in paragraph (a) or (b) of that sub-paragraph (less the amount of any consideration for its transfer received by the trustees), that sub-paragraph shall not apply but the amount on which tax is charged shall be equal to the excess.
- (3) The reference in sub-paragraph (2) above to the amount on which tax would be charged is a reference to the amount on which it would be charged apart from—
- (a) section 113(5)(b) of this Act (as applied by paragraph 2(3) above), and
 - (b) Schedule 10 to the Finance Act 1976 (business property) and Schedule 14 to the Finance Act 1981 (agricultural property);
- and the reference in sub-paragraph (2) above to the amount on which tax is charged is a reference to the amount on which it would be charged apart from section 113(5)(b) and those Schedules.
- (4) Sub-paragraph (1) above shall not apply in relation to any property if, at or before the time when it becomes property of a description specified in paragraph (a) or (b) of that sub-paragraph, an interest under the settlement in which the property was comprised immediately before it ceased to be property to which paragraph 2 above applies is or has been acquired for a consideration in money or money's worth by the person who becomes beneficially entitled.
- (5) For the purposes of sub-paragraph (4) above a person shall be treated as acquiring an interest for a consideration in money or money's worth if he becomes entitled to the interest as a result of transactions which include a disposition for such consideration (whether to him or to another person) of that interest or of other property.
- (6) Sub-paragraph (1) above shall not apply in respect of property if it was relevant property before it became (or last became) property to which paragraph 2 above applies and, by virtue of paragraph 1(1) or (5) above, tax was not chargeable (or, but for paragraph 1(2) or (8), would not have been chargeable) under section 108

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of this Act in respect of it ceasing to be relevant property before becoming (or last becoming) property to which paragraph 2 above applies.

- (7) Sub-paragraph (1) above shall not apply in respect of property if—
- (a) before it last became property to which paragraph 2 above applies it was comprised in another settlement in which it was property to which that paragraph applies, and
 - (b) it ceased to be comprised in the other settlement and last became property to which that paragraph applies in circumstances such that by virtue of paragraph 3(1) above there was no charge (or, but for paragraph 3(4), there would have been no charge) to tax in respect of it.
- (8) Sub-paragraph (1) above shall not apply unless the person who becomes beneficially entitled to the property is domiciled in the United Kingdom at the time when he becomes so entitled.

Property leaving maintenance funds: rates of charge

- 5 (1) This paragraph applies where tax is chargeable under paragraph 2 above and—
- (a) the property in respect of which the tax is chargeable was relevant property before it became (or last became) property to which that paragraph applies, and
 - (b) by virtue of paragraph 1(1) or (5) above tax was not chargeable (or, but for paragraph 1(2) or (8), would not have been chargeable) under section 108 of this Act in respect of it ceasing to be relevant property on or before becoming (or last becoming) property to which paragraph 2 above applies.
- (2) Where this paragraph applies, the rate at which the tax is charged shall be the aggregate of the following percentages—
- (a) 0.25 per cent, for each of the first forty complete successive quarters in the relevant period,
 - (b) 0.20 per cent, for each of the next forty,
 - (c) 0.15 per cent, for each of the next forty,
 - (d) 0.10 per cent, for each of the next forty, and
 - (e) 0.05 per cent, for each of the next forty.
- (3) In sub-paragraph (2) above "the relevant period " means the period beginning with the latest of—
- (a) the date of the last ten-year anniversary of the settlement in which the property was comprised before it ceased (or last ceased) to be relevant property,
 - (b) the day on which the property became (or last became) relevant property before it ceased (or last ceased) to be such property, and
 - (c) 13th March 1975,
- and ending with the day before the event giving rise to the charge.
- (4) Where the property in respect of which the tax is chargeable has at any time ceased to be and again become property to which paragraph 2 above applies in circumstances such that by virtue of paragraph 3(1) above there was no charge to tax in respect of it (or, but for paragraph 3(4), there would have been no charge), it shall for the purposes of this paragraph be treated as having been property to which paragraph 2 above applies throughout the period mentioned in paragraph 3(1).

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- 6 (1) This paragraph applies where tax is chargeable under paragraph 2 above and paragraph 5 above does not apply.
- (2) Where this paragraph applies, the rate at which the tax is charged shall be the higher of—
- (a) the first rate (as determined in accordance with paragraph 7 below), and
 - (b) the second rate (as determined in accordance with paragraph 8 below).
- 7 (1) The first rate is the aggregate of the following percentages—
- (a) 0.25 per cent, for each of the first forty complete successive quarters in the relevant period,
 - (b) 0.20 per cent, for each of the next forty,
 - (c) 0.15 per cent, for each of the next forty,
 - (d) 0.10 per cent, for each of the next forty, and
 - (e) 0.05 per cent, for each of the next forty.
- (2) In sub-paragraph (1) above "the relevant period" means the period beginning with the day on which the property in respect of which the tax is chargeable became (or first became) property to which paragraph 2 above applies, and ending with the day before the event giving rise to the charge.
- (3) For the purposes of sub-paragraph (2) above, any occasion on which property became property to which paragraph 2 above applies, and which occurred before an occasion of charge to tax under that paragraph in respect of the property, shall be disregarded.
- (4) The reference in sub-paragraph (3) above to an occasion of charge to tax under paragraph 2 does not include a reference to—
- (a) the occasion by reference to which the rate is being determined in accordance with this Schedule, or
 - (b) an occasion which would not be an occasion of charge but for paragraph 3(4) above.
- 8 (1) If the settlor is alive, the second rate is the effective rate at which tax would be charged, on the amount on which it is chargeable, under the appropriate Table if the amount were the value transferred by a chargeable transfer made by him on the occasion on which the tax becomes chargeable.
- (2) If the settlor is dead, the second rate is (subject to sub-paragraph (3) below) the effective rate at which tax would have been charged, on the amount on which it is chargeable, under the appropriate Table if the amount had been added to the value transferred on his death and had formed the highest part of it.
- (3) If the settlor died before 13th March 1975, the second rate is the effective rate at which tax would have been charged, on the amount on which it is chargeable ("the chargeable amount"), under the appropriate Table if the settlor had died when the event occasioning the charge under paragraph 2 above occurred, the value transferred on his death had been equal to the amount on which estate duty was chargeable when he in fact died, and the chargeable amount had been added to that value and had formed the highest part of it.
- (4) Where, in the case of a settlement ("the current settlement"), tax is chargeable under paragraph 2 above in respect of property which—
- (a) was previously comprised in another settlement, and

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- (b) ceased to be comprised in that settlement and became comprised in the current settlement in circumstances such that by virtue of paragraph 3(1) above there was no charge (or, but for paragraph 3(4), there would have been no charge) to tax in respect of it,

then, subject to sub-paragraph (5) below, references in sub-paragraphs (1) to (3) above to the settlor shall be construed as references to the person who was the settlor in relation to the settlement mentioned in paragraph (a) above (or, if the Board so determine, the person who was the settlor in relation to the current settlement).

- (5) Where, in the case of a settlement (" the current settlement"), tax is chargeable under paragraph 2 above in respect of property which—

- (a) was previously comprised at different times in other settlements (" the previous settlements "), and
- (b) ceased to be comprised in each of them, and became comprised in another of them or in the current settlement, in circumstances such that by virtue of paragraph 3(1) above there was no charge (or, but for paragraph 3(4), there would have been no charge) to tax in respect of it,

references in sub-paragraphs (1) to (3) above to the settlor shall be construed as references to the person who was the settlor in relation to the previous settlement in which the property was first comprised (or, if the Board so determine, any person selected by them who was the settlor in relation to any of the other previous settlements or the current settlement).

- (6) Sub-paragraph (7) below shall apply if—

- (a) in the period of ten years preceding a charge under paragraph 2 above (the " current charge"), there has been another charge under that paragraph where tax was charged at the second rate, and
- (b) the person who is the settlor for the purposes of the current charge is the settlor for the purposes of the other charge (whether or not the settlements are the same and, if the settlor is dead, whether or not he has died since the other charge);

and in sub-paragraph (7) below the other charge is referred to as the " previous charge ".

- (7) Where this sub-paragraph applies, the amount on which tax was charged on the previous charge (or, if there have been more than one, the aggregate of the amounts on which tax was charged on each)—

- (a) shall, for the purposes of calculating the rate of the current charge under sub-paragraph (1) above, be taken to be the value transferred by a chargeable transfer made by the settlor immediately before the occasion of the current charge, and
- (b) shall, for the purposes of calculating the rate of the current charge under sub-paragraph (2) or (3) above, be taken to increase the value there mentioned by an amount equal to that amount (or aggregate).

- (8) References in sub-paragraphs (1) to (3) above to the effective rate are to the rate found by expressing the tax chargeable as a percentage of the amount on which it is charged.

- (9) For the purposes of sub-paragraph (1) above the appropriate Table is the second Table in section 37 of the Finance Act 1975, and for the purposes of sub-paragraphs (2) and (3) above it is (if the settlement was made on death) the first Table in that section and (if not) the second.

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

- 9 Where property is, by virtue of section 94(5) of this Act, treated as property in respect of which a direction has been given under section 93 of this Act, it shall for the purposes of paragraphs 5 to 8 above be treated as having become property to which paragraph 2 above applies when the transfer of value mentioned in section 94(5) was made.

SCHEDULE 17

Section 127.

CAPITAL TRANSFER TAX SETTLEMENTS WITHOUT INTERESTS IN POSSESSION

Finance Act 1975

- 1 In section 25(3) of the Finance Act 1975 after the words " under Schedule 5 to this Act" there shall be inserted the words " or under Chapter II of Part IV of the Finance Act 1982. "
- 2 In section 25(9) of that Act for the words from " any question " to the end there shall be substituted the words " trustees of a settlement shall be regarded as not resident in the United Kingdom unless the general administration of the settlement is ordinarily carried on in the United Kingdom and the trustees or a majority of them (and, where there is more than one class of trustees, a majority of each class) are for the time being resident in the United Kingdom. ".
- 3 For section 43(5) of that Act there shall be substituted—
- “(5) Chargeable transfers under Chapter II of Part IV of the Finance Act 1982 shall if they relate to the same settlement be treated for the purposes of subsections (2) and (3) above as made by the same person.”
- 4 For subsection (1A) of section 47 of that Act there shall be substituted—
- “(1A) Where property comprised in a person's estate immediately before his death is settled by his will and, within the period of two years after his death and before any interest in possession has subsisted in the property, an event occurs on which tax would (apart from this subsection) be chargeable under any provision, other than section 107, of Chapter II of Part IV of the Finance Act 1982, then—
- (a) tax shall not be charged under that Chapter on that event, and
- (b) this Part of this Act shall apply as if the will had provided that on the testator's death the property should be held as it is held after the event.”
- 5 For subsection (2A) of section 51 of that Act there shall be substituted—
- “(2A) Except where the context otherwise requires, references in this Part of this Act to chargeable transfers, to their making or to the values transferred by them shall be construed as including references to occasions on which tax is chargeable under Chapter II of Part IV of the Finance Act 1982, to their occurrence or to the amounts on which tax is then chargeable.”
- 6 In section 51(5) of that Act, the words "(except paragraph 11(10) of Schedule 5) " shall be omitted and at the end there shall be added the words " ; but the preceding provisions of this subsection do not apply for the purposes of section 103 of the Finance Act 1982

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

- 7 In paragraph 2 of Schedule 4 to that Act—
- (a) in sub-paragraph (1)(c) for the words from " a capital distribution " to the end there shall be substituted the words " an occasion on which tax is chargeable under Chapter II of Part IV of the Finance Act 1982, or would be so liable if tax were chargeable on the occasion ; ";
 - (b) in sub-paragraphs (1), (2) and (3) for the words " relevant property " there shall be substituted the words " appropriate property ";
 - (c) in sub-paragraph (7) after the words " section 78 " there shall be inserted the words " or 82(3) ".
- 8 For paragraph 4(3) of that Schedule there shall be substituted—
- “(3) For the purposes of this paragraph trustees of a settlement shall be regarded as not resident in the United Kingdom unless the general administration of the settlement is ordinarily carried on in the United Kingdom and the trustees or a majority of them (and, where there is more than one class of trustees, a majority of each class) are for the time being resident in the United Kingdom.”
- 9 In paragraph 6(6) of that Schedule for the words from " capital distributions " to the end there shall be substituted the words " occasions on which tax is chargeable under Chapter II of Part IV of the Finance Act 1982 or to the amounts on which tax is then chargeable. ".
- 10 In paragraph 12(4) of that Schedule after the words " section 78 " there shall be inserted the words " or 82(3) ".
- 11 In paragraph 13 of that Schedule—
- (a) in sub-paragraph (5)(b) for the words " paragraph 4, 6(2), 12 or 15 of Schedule 5 to this Act" there shall be substituted the words " paragraph 4 of Schedule 5 to this Act, or is an occasion on which tax is chargeable under Chapter II of Part IV of the Finance Act 1982, ";
 - (6) in sub-paragraph (6)(c) for the words " made under paragraph 6, 12 or 15 of Schedule 5 to this Act" there shall be substituted the words " an occasion on which tax is chargeable under Chapter II of Part IV of the Finance Act 1982 ".
- 12 In paragraph 14(4)(b) of that Schedule for the words "paragraph 4, 6(2), 12 or 15 of Schedule 5 to this Act" there shall be substituted the words " paragraph 4 of Schedule 5 to this Act, or is an occasion on which tax is chargeable under Chapter II of Part IV of the Finance Act 1982, ".
- 13 In paragraph 19(1)(c) of that Schedule after the words " section 78 " there shall be inserted the words " or 82(3) ".
- 14 In paragraph 20(1)(b) of that Schedule after the words " under Schedule 5 to this Act" there shall be inserted the words " or under Chapter II of Part IV of the Finance Act 1982 ".
- 15 In paragraph 25(5) of that Schedule for the words from " to a capital distribution " to the end there shall be substituted the words " to an occasion on which tax is chargeable under Chapter II of Part IV of the Finance Act 1982 or to the amount on which tax is then chargeable. ".
- 16 In paragraph 1(8) of Schedule 5 to that Act, after the word " Act" there shall be inserted the words " and Chapter II of Part IV of the Finance Act 1982 ".

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

- 17 In paragraph 16(6) of that Schedule, for the words from the beginning to " settlement is " there shall be substituted the words " Where a benefit has become payable under a fund or scheme to which this paragraph applies, and the benefit becomes comprised in a settlement ".
- 18 In paragraph 17(3)(b) of that Schedule, after the word " Schedule " there shall be inserted the words " and of Chapter II of Part IV of the Finance Act 1982 ".
- 19 (1) Paragraph 3 of Schedule 7 to that Act shall be amended as follows.
- (2) In sub-paragraph (1)(6). for the words " beneficially entitled to an " there shall be substituted the words " entitled to a qualifying ".
- (3) In sub-paragraph (2)—
- (a) for the words " no interest" there shall be substituted the words " no qualifying interest "; and
- (b) after the word " who " there shall be inserted the words " are or ".
- (4) In sub-paragraph (2A) for the words from " by " to " another " there shall be substituted the words—
- “(a) property ceased to be comprised in one settlement before 10th December 1981 and after 19th April 1978 and, by the same disposition, became comprised in another settlement, or
- (b) property ceased to be comprised in one settlement after 9th December 1981 and became comprised in another without any person having in the meantime become beneficially entitled to the property (and not merely to an interest in possession in the property)”.
- (5) After sub-paragraph (3) there shall be added—
- “(4) In this paragraph ' qualifying interest in possession' has the meaning given by section 103 of the Finance Act 1982.”
- 20 In paragraph 4 of Schedule 10 to that Act, for sub-paragraph (2) there shall be substituted—
- “(2) Sub-paragraph (1) above shall not apply where the chargeable transfer is made under Schedule 5 to this Act or under Chapter II of Part IV of the Finance Act 1982 and the gain accrues to the trustees of the settlement; but if in such a case any capital gains tax chargeable on the gain is borne by a person who becomes absolutely entitled to the settled property concerned, the amount of the tax so borne shall be treated as reducing the value transferred by the chargeable transfer”.
- 21 In paragraph 9A of that Schedule for the words "relevant property " (wherever they occur) there shall be substituted the words " property concerned ".
- 22 In paragraph 11 of that Schedule, for sub-paragraph (5) there shall be substituted—
- “(5) References in sub-paragraphs (1) and (4) above to a transfer of value shall be construed as including references to an event on which there is a charge to tax under Chapter II of Part IV of the Finance Act 1982, other than an event on which tax is chargeable in respect of the policy or contract by reason only that its value (apart from this paragraph) is reduced.”

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

Finance Act 1976

23 In section 73 of the Finance Act 1976, for paragraph (b) there shall be substituted—
“(b) the amount on which tax is chargeable under Chapter II of Part IV of the Finance Act 1982”.

24 (1) Section 79 of that Act shall be amended as follows.

(2) In subsection (1)(b) for the words " relevant transferor " (in each place) there shall be substituted the words " relevant person ".

(3) Subsections (2), (5) and (6) shall be omitted.

(4) After subsection (7) there shall be inserted—

“(8) In this section " relevant person " and " appropriate Table " have the meanings given by section 82A below.

(9) Subsection (1)(b) above shall have effect subject to section 82A(6) and (7) below.”

25 (1) Section 80 of that Act shall be amended as follows.

(2) In subsections (2) and (3) for the words " relevant transferor " there shall be substituted the words " relevant person ".

(3) At the end of the section there shall be inserted—

“(5) In this section "relevant person" has the meaning given by section 82A below.”

26 For sections 81 and 82 of that Act there shall be substituted—

“81 Conditionally exempt occasions.

(1) A transfer of property or other event shall not constitute an occasion on which tax is chargeable under any provision of Chapter II of Part IV of the Finance Act 1982 other than section 107 if the property in respect of which the charge would have been made has been comprised in the settlement throughout the six years ending with the transfer or event, and—

(a) the property is, on a claim made for the purpose, designated by the Treasury under section 77 above; and

(b) the requisite undertaking described in that section is given with respect to the property by such person as the Treasury think appropriate in the circumstances of the case.

(2) References in subsections (3) and (4) below and in sections 82, 82A and 83 below to a conditionally exempt occasion are to—

(a) a transfer or event which by virtue of subsection (1) above does not constitute an occasion on which tax is chargeable under the Chapter there mentioned;

(b) a conditionally exempt distribution (within the meaning given by this subsection as it had effect in relation to events before 9th March 1982).

(3) Sections 78 and 79 above shall have effect as if—

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

- (a) references to a conditionally exempt transfer and to such a transfer of property included references respectively to a conditionally exempt occasion and to such an occasion in respect of property;
 - (b) references to a disposal otherwise than by sale included references to any occasion on which tax is chargeable under any provision of that Chapter other than section 107 ; and
 - (c) references to an undertaking given under section 76 above included references to an undertaking given under this section.
- (4) Section 80 above shall not apply where—
- (a) tax has become chargeable under section 78 above by reference to a chargeable event in respect of any property, and
 - (b) the last conditionally exempt transaction regarding the property before the event was a conditionally exempt occasion;
- and for the purposes of this subsection conditionally exempt transactions regarding property are conditionally exempt transfers of it and conditionally exempt occasions in respect of it.

82 Exemption from ten-yearly charge.

- (1) Where property is comprised in a settlement and there has been a conditionally exempt transfer of the property on or before the occasion on which it became comprised in the settlement, section 107 of the Finance Act 1982 (charge at ten-year anniversary) shall not have effect in relation to the property on any ten-year anniversary falling before the first occurrence after the transfer of a chargeable event with respect to the property.
- (2) Where property is comprised in a settlement and there has been, on or before the occasion on which it became comprised in the settlement, a disposal of the property in relation to which subsection (4) of section 147 of the Capital Gains Tax Act 1979 (capital gains tax relief for works of art etc.) had effect, the said section 107 shall not have effect in relation to the property on any ten-year anniversary falling before the first occurrence after the disposal of an event on the happening of which the property is treated as sold under subsection (5) of the said section 147.
- (3) Where property is comprised in a settlement and there has been no such transfer or disposal of the property as is mentioned in subsection (1) or (2) above on or before the occasion on which it became comprised in the settlement, then, if—
 - (a) the property has, on a claim made for the purpose, been designated by the Treasury under section 77 above ; and
 - (b) the requisite undertaking described in that section has been given by such person as the Treasury think appropriate in the circumstances of the case; and
 - (c) the property is relevant property for the purposes of Chapter II of Part IV of the Finance Act 1982,
 the said section 107 shall not have effect in relation to the property; but there shall be a charge to tax under this subsection on the first occurrence of an event which, if there had been a conditionally exempt transfer of the property when the claim was made and the undertaking had been given under section 76 above, would be a chargeable event with respect to the property.

- (4) Tax shall not be charged under subsection (3) above in respect of property if, after the occasion and before the occurrence there mentioned, there has been a conditionally exempt occasion in respect of the property.
- (5) The amount on which tax is charged under subsection (3) above shall be an amount equal to the value of the property at the time of the event
- (6) The rate at which tax is charged under subsection (3) above shall be the aggregate of the following percentages—
- 0.25 per cent, for each of the first forty complete successive quarters (that is, periods of three months) in the relevant period,
 - 0.20 per cent, for each of the next forty,
 - 0.15 per cent, for each of the next forty,
 - 0.10 per cent, for each of the next forty, and
 - 0.05 per cent, for each of the next forty.
- (7) In subsection (6) above " the relevant period" means the period beginning with the latest of—
- the day on which the settlement commenced,
 - the date of the last ten-year anniversary of the settlement to fall before the day on which the property became comprised in the settlement, and
 - 13th March 1975,
- and ending with the day before the event giving rise to the charge.
- (8) The persons liable for tax in respect of a charge under subsection (3) above are—
- the trustees of the settlement; and
 - any person for whose benefit any of the property or income from it is applied at or after the time of the event occasioning the charge.
- (9) Subsection (10) below shall have effect where—
- by virtue of subsection (3) above, section 107 of the Finance Act 1982 does not have effect in relation to property on the first ten-year anniversary of the settlement to fall after the making of the claim and the giving of the undertaking,
 - on that anniversary a charge to tax falls to be made in respect of the settlement under the said section 107, and
 - the property became comprised in the settlement, and the claim was made and the undertaking was given, within the period of ten years ending with that anniversary.
- (10) In calculating the rate at which tax is charged under the said section 107, the value of the consideration given for the property on it becoming comprised in the settlement shall be treated for the purposes of section 109(5)(b) of the Finance Act 1982 as if it were an amount on which a charge to tax was imposed in respect of the settlement under section 108 of that Act at the time of the property becoming so comprised.
- (11) In this section "ten-year anniversary " in relation to a settlement has the same meaning as in Chapter II of Part IV of the Finance Act 1982.

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

82A Relevant person; and appropriate Table.

- (1) Subsections (2) to (4) below have effect to determine, for the purposes of sections 79 and 80 above, the relevant person in relation to a chargeable event in respect of any property.
- (2) In this section references to transactions regarding the property are to conditionally exempt transfers of the property and conditionally exempt occasions in respect of the property ; and " the last transaction " means—
 - (a) if there has been only one transaction regarding the property before the event, that transaction ;
 - (b) if there have been two or more such transactions and the last was before, or only one of them was within, the period of thirty years ending with the event, the last of those transactions ;
 - (c) if there have been two or more such transactions within that period, whichever transaction the Board may select
- (3) If the last transaction was a conditionally exempt transfer the relevant person is the person who made the transfer; and if the last transaction was a conditionally exempt occasion the relevant person is the person who is the settlor in relation to the settlement in respect of which the occasion occurred (or, if there is more than one such person, whichever of them the Board may select).
- (4) The conditionally exempt transfers and occasions to be taken into account for the purpose of subsection (2) above in relation to a chargeable event do not include those made or occurring before any previous chargeable event in respect of the same property or before any event which apart from section 78(4) above would have been such a chargeable event.
- (5) For the purposes of section 79(1)(b)(ii) above—
 - (a) if the relevant person is the person who made a transfer, the appropriate Table is, if the transfer was made on death, the first Table and, if not, the second;
 - (b) if the relevant person is the person who is the settlor in relation to a settlement, the appropriate Table is, if the settlement was created on his death, the first Table and, if not, the second.
- (6) If the last transaction regarding property before a chargeable event was a conditionally exempt occasion, and the relevant person died before 13th March 1975, section 79(1)(b)(ii) above shall (subject to subsection (7) below) be taken to read as follows: —
 - “(ii) the rate or rates that would have applied to that amount (" the chargeable amount") under the appropriate Table in that section if the relevant person had died when the chargeable event occurred, the value transferred on his death had been equal to the amount on which estate duty was chargeable when he in fact died, and the chargeable amount had been added to that value and had formed the highest part of it.”

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

- (7) If the last transaction regarding property before a chargeable event was a conditionally exempt occasion, the rate (or each of the rates) mentioned in section 79(IX6)(i) or (ii) above—
- (a) shall, if the occasion occurred before the first ten-year anniversary to fall after the property became comprised in the settlement concerned, be 30 per cent, of what it would be apart from this subsection ; and
 - (b) shall, if the occasion occurred after the first and before the second ten-year anniversary to fall after the property became so comprised, be 60 per cent, of what it would be apart from this subsection, and in this subsection " ten-year anniversary " in relation to a settlement has the same meaning as in Chapter II of Part IV of the Finance Act 1982.”.
- 27 In section 83 of that Act, after subsection (3) there shall be inserted—
- “(3A) References in subsection (3) above to a conditionally exempt transfer of property include references to a conditionally exempt occasion in respect of property.”.
- 28 For subsection (8) of section 114 of that Act there shall be substituted—
- “(8) This section shall apply to occasions on which tax is chargeable under section 108 of the Finance Act 1982 in cases within paragraph 5 of Schedule 15 to that Act in the same way as it applies to transfers of value ; and for this purpose references in this section to transfers made by the same person shall be construed as references to occasions relating to, or distribution payments made out of property comprised in, the same settlement.”.
- 29 For subsection (6) of section 122 of that Act there shall be substituted—
- “(6) Anything which is done in compliance with an order under the said Act of 1975 or occurs on the coming into force of such an order, and which would (apart from this subsection) constitute an occasion on which tax is chargeable under Chapter II of Part IV of the Finance Act 1982, shall not constitute such an occasion ; and where an order under the said Act of 1975 provides for property to be settled or for the variation of a settlement, and (apart from this subsection) tax would be charged under paragraph 4(2) of Schedule 5 to the Finance Act 1975 on the coming into force of the order, the said paragraph 4(2) shall not apply.”.
- 30 For paragraph 1 of Schedule 10 to that Act there shall be substituted—
- “1 In this Schedule references to a transfer of value include references to an occasion on which tax is chargeable under Chapter II of Part IV of the Finance Act 1982, and
- (a) references to the value transferred by a transfer of value include references to the amount on which tax is then chargeable, and
 - (b) references to the transferor include references to the trustees of the settlement concerned.”
- Finance Act 1980*
- 31 In Schedule 15 to the Finance Act 1980, after paragraph 2 there shall be inserted—

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

“2A Where tax is chargeable under section 108 of the Finance Act 1982 on any occasion after a reduction and the rate at which it is charged is determined under section 112 of that Act by reference to the rate that was (or would have been) charged under section 107 of that Act on an occasion before the reduction (or before that and one or more previous reductions), the rate charged on the later occasion shall be determined 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 been in force on the earlier occasion.”.

32 For paragraph 6 of that Schedule there shall be substituted—

“6 Where tax is chargeable under paragraph 2 of Schedule 16 to the Finance Act 1982 on any occasion after a reduction and the rate at which it is charged falls to be determined under paragraph 8 of that Schedule by reference to a death which occurred before that reduction (or before that and one or more previous reductions) that paragraph 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.”.

Finance Act 1981

33 In section 96(1) of the Finance Act 1981, for paragraph (b) there shall be substituted—

“(b) the amount on which tax is chargeable under Chapter II of Part IV of the Finance Act 1982”.

34 In Schedule 14 to that Act, for sub-paragraph (1) of paragraph 1 there shall be substituted—

“(1) In this Schedule references to a transfer of value include references to an occasion on which tax is chargeable under Chapter II of Part IV of the Finance Act 1982, and—

- (a) references to the value transferred by a transfer of value include references to the amount on which tax is then chargeable, and
- (b) references to the transferor include references to the trustees of the settlement concerned”.

SCHEDULE 18

Section 134.

ALTERNATIVE VALUATION OF ETHANE USED FOR PETROCHEMICAL PURPOSES

The election

1 (1) An election shall be made—

- (a) in so far as it is to apply to ethane which is relevantly appropriated, by the participator alone ; and
- (b) in so far as it is to apply to ethane which is disposed of, by the participator and the person to whom it is disposed of.

(2) An election shall be made in such form as may be prescribed by the Board and shall—

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

- (a) identify, by reference to volume, chemical composition and initial treatment, the ethane to which the election is to apply ;
 - (b) specify the period, beginning on or after the date of the election and not exceeding fifteen years, which is covered by the election;
 - (c) specify the price formula which is to apply for determining the market values of ethane during that period ;
 - (d) specify the petrochemical purposes for which ethane to which the election applies will be used ; and
 - (c) specify the place to or at which any such ethane is to be delivered or appropriated.
- (3) The reference in sub-paragraph (2)(a) above to initial treatment is a reference to such initial treatment (if any) as the ethane will have been subjected to before it is disposed of or relevantly appropriated.

Conditions for acceptance of an election

- 2
- (1) Subject to sub-paragraphs (2) and (3) below, the Board shall accept an election if they are satisfied that, under a relevant contract (as defined in paragraph 3 below) for the sale at arm's length of the ethane to which the election applies, the contract prices would not differ materially from the market values determined in accordance with the price formula specified in the election; and if the Board are not so satisfied they shall reject the election.
 - (2) The Board shall reject an election if they are not satisfied that the price formula specified in the election is such that the market value of ethane disposed of or relevantly appropriated at any time during the period covered by the election will be readily ascertainable either by reference to the price formula alone or by reference to that formula and to information—
 - (a) which is, or is expected to be at that time, publicly available ; and
 - (b) which is not related or dependent, in whole or to any substantial degree, to or on the activities of the person or persons making the election or any person connected or associated with him or them.
 - (3) The Board shall reject an election if, after receiving notice in writing from the Board, the person or, as the case may be, either of the persons by whom the election was made—
 - (a) fails to furnish to the Board, before the appropriate date, any information which the Board may reasonably require for the purpose of determining whether the election should be accepted ; or
 - (b) fails to make available for inspection, before the appropriate date, by an officer authorised by the Board any books, accounts or documents in his possession or power which contain any information relevant for that purpose.
 - (4) In sub-paragraph (3) above " the appropriate date " means such date as may be specified in the notice concerned, being a date not earlier than one month after the date on which the notice was given.
 - (5) Any notice under sub-paragraph (3) above shall be given within the period of three months beginning on the date of the election in question.
- 3
- (1) In paragraph 2 above "relevant contract" means a contract which is entered into.—

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

- (a) if the price formula specified in the election is derived from an actual contract which is identified in the election and was entered into not more than two years before the date of the election, at the time at which that contract was entered into, and
 - (b) in any other case, at the time of the election in question,
- and which incorporates the terms specified in sub-paragraph 12) below, but is not necessarily a contract for the sale of ethane for petrochemical purposes.

- (2) The terms referred to in sub-paragraph (1) above are—
- (a) that the ethane is required to be delivered at the place in the United Kingdom at which the seller could reasonably be expected to deliver it or, if there is more than one such place, the one nearest to the place of extraction ; and
 - (b) that the price formula may be varied only in the event of a substantial and lasting change in the economic circumstances surrounding or underlying the contract and that any such variation may not take place before the expiry of the period of five years beginning on the date of the first delivery of ethane during the period covered by the election.

Notice of acceptance or rejection

- 4 (1) Notice of the acceptance or rejection of an election shall be given to the party or, as the case may be, each of the parties to the election before the expiry of the period of three months beginning on—
- (a) the date of the election, or
 - (b) if a notice has been given under paragraph 2(3) above relating to the election, the date or, as the case may be, the last date which is the appropriate date, as denned in paragraph 2(4) above, in relation to such a notice.
- (2) If no such notice of acceptance or rejection is so given, the Board shall be deemed to have accepted the election and to have given notice of their acceptance on the last day of the period referred to in sub-paragraph (1) above.
- (3) After notice of the acceptance of an election has been given under this paragraph, a change in the identity of the participator or, where appropriate, of the person to whom the ethane in question is disposed of shall not, of itself, affect the continuing operation of the election.

Market value ceasing to be readily ascertainable

- 5 (1) In any case where—
- (a) it appears to the Board that, at some time during the period covered by an election, the market value of ethane to which the election applies has ceased or is ceasing to be readily ascertainable as mentioned in paragraph 2(2) above, and
 - (b) the Board give notice of that fact to the party or, as the case may be, each of the parties to the election and in that notice specify a date for the purposes of this paragraph (which may be a date earlier than that on which the notice is given),
- then, subject to sub-paragraph (2) below, on the date so specified the election shall cease to have effect.

- (2) If—

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

- (a) within the period of three months beginning on the date of a notice under sub-paragraph (1)(b) above, the party or parties to the election by notice in writing given to the Board specify a new price formula, and
- (b) the new price formula is accepted by the Board in accordance with paragraph 7 below,

the election shall continue to have effect and, subject to paragraph 9 below, for the purpose of determining the market value, on and after the date specified in the notice under sub-paragraph (1)(b) above, of ethane to which the election applies, section 134 of this Act shall have effect as if the new price formula were the formula specified in the election.

Price formula ceasing to give realistic market values

- 6 (1) If, at any time after the expiry of the period of five years beginning on the date of the first delivery or relevant appropriation of ethane during the period covered by an election.—
- (a) it appears to the party or parties to the election or, as the case may be, to the Board that, by reason of any substantial and lasting change in any economic circumstances which were relevant at the time referred to in paragraph 3(1) above, the market values determined in accordance with the price formula specified in the election are no longer realistic ; and
 - (b) the party or parties to the election give notice of that fact to the Board, or the Board give notice of that fact to the party or, as the case may be, each of the parties to the election,
- then, subject to the following provisions of this paragraph, sub-paragraph (2) below shall apply.
- (2) Where this sub-paragraph applies, the election shall not have effect with respect to any chargeable period beginning after the date of the notice under sub-paragraph (1) (b) above.
- (3) Before the expiry of the period of three months beginning on the date on which a notice under sub-paragraph (1)(b) above given by the party or parties to the election is received by the Board, the Board shall give notice of acceptance or rejection of that notice to the party or parties concerned ; and
- (a) if the Board give notice of rejection, sub-paragraph (2) above shall not apply ; and
 - (b) if no notice of acceptance or rejection is in fact given as required by this sub-paragraph, the Board shall be deemed to have given notice of acceptance on the last day of the period of three months referred to above.
- (4) If a notice under sub-paragraph (1)(b) above which has been given by the party or parties to the election contains a new price formula, the Board shall first consider the notice without regard to that formula and if, following upon that consideration, the Board give a notice of acceptance under sub-paragraph (3) above, they shall then proceed to consider the new price formula.
- (5) In any case where—
- (a) sub-paragraph (4) above applies and the new price formula contained in the notice under sub-paragraph (1)(6) above is accepted by the Board in accordance with paragraph 7 below, or

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- (b) within the period of three months beginning on the date of a notice given by the Board under sub-paragraph above, the party or parties to the election by notice in writing given to the Board specify a new price formula which is accepted by the Board in accordance with paragraph 7 below,
- sub-paragraph (2) above shall not apply and for the purpose of determining, for any chargeable period beginning after the date of the notice under sub-paragraph (1)(b) above, the market value of ethane to which the election applies, section 134 of this Act shall have effect as if the new price formula were the formula specified in the election.
- (6) If, by virtue of sub-paragraph (5) above or an appeal under paragraph 8 below, a new price formula has effect for determining the market value of ethane to which an election applies, sub-paragraph (1) above shall thereafter have effect in relation to the market value of any such ethane as if—
- (a) the reference therein to the date of the first delivery or relevant appropriation of ethane during the period covered by the election, and
- (b) the reference therein to the time referred to in paragraph 3(1) above,
- were each a reference to the beginning of the first chargeable period for which the new price formula has effect.

Acceptance or rejection of new price formula

- 7 (1) Subject to sub-paragraph (3) below, the Board shall accept a new price formula specified in a notice under paragraph 5(2) above if they are satisfied that the new formula provides for readily ascertainable market values which correspond, so far as practicable, with those which were intended to be provided for under the original price formula; and if the Board are not so satisfied they shall reject such a new price formula.
- (2) Subject to sub-paragraph (3) below, sub-paragraphs (1) and (2) of paragraph 2 above and paragraph 3 above shall apply to determine whether the Board shall accept—
- (a) a new price formula contained in a notice under paragraph 6(1)(b) above which has been accepted by the Board under paragraph 6(3) above, or
- (b) if the Board have given notice under paragraph 6(1)(b) above, a new price formula specified in a notice under paragraph 6(5)(b) above,
- as if the new price formula were specified in an election made at the time the notice under paragraph 6(1)(b) above was given.
- (3) The Board shall reject such a new price formula as is referred to in sub-paragraph (1) or sub-paragraph (2) above if, after receiving notice in writing from the Board, the party or, as the case may be, either of the parties to the election—
- (a) fails to furnish to the Board, before the appropriate date, any information which the Board may reasonably require for the purpose of determining whether the new formula should be accepted in accordance with sub-paragraph (1) or, as the case may be, sub-paragraph (2) above, or
- (b) fails to make available for inspection, before the appropriate date, by an officer authorised by the Board any books, accounts or documents in his possession or power which contain information relevant for that purpose.
- (4) Sub-paragraph (4) of paragraph 2 above applies in relation to sub-paragraph (3) above as it applies in relation to sub-paragraph (3) of that paragraph.
- (5) Notice of the acceptance or rejection of a new price formula—

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- (a) specified in a notice under paragraph 5(2) or paragraph 6(5)(b) above, or
- (b) contained in a notice under paragraph 6(1)(b) above which has been accepted by the Board by a notice under paragraph 6(3) above,

shall be given to the party or, as the case may be, each of the parties to the election concerned before the expiry of the period of three months beginning on the relevant date (as defined in sub-paragraph (6) below), and if no notice of acceptance or rejection is in fact given as required by this sub-paragraph, the Board shall be deemed to have accepted the formula and to have given notice of their acceptance on the last day of that period.

- (6) In sub-paragraph (5) above " the relevant date " means—
- (a) if a notice has been given under sub-paragraph (3) above relating to the price formula in question, the date or, as the case may be, the last date which is the appropriate date, within the meaning of that sub-paragraph, in relation to such a notice ; and
 - (b) if no such notice has been given, then—
 - (i) in relation to a new price formula falling within paragraph (a) of sub-paragraph (5) above, the date on which the notice referred to in that paragraph was received by the Board ; and
 - (ii) in relation to a new price formula falling within paragraph (b) of that sub-paragraph, the date of the notice from the Board under paragraph 6(3) above.

- 8 (1) Where the Board give notice to any person or persons—
- (a) under paragraph 4 above, rejecting an election ; or
 - (b) under paragraph 5 above, that the value of any ethane has ceased or is ceasing to be readily ascertainable ; or
 - (c) under paragraph 6(1)(b) above, that a price formula is no longer realistic ; or
 - (d) under paragraph 6(3) above, rejecting a notice given under paragraph 6(1)(b) above ; or
 - (e) under paragraph 7(5) above, rejecting a new price formula ;
- that person or, as the case may be, those persons acting jointly may appeal to the Special Commissioners against the notice.

- (2) An appeal under sub-paragraph (1) above shall be made by notice in writing given to the Board within thirty days after the date of the notice in respect of which the appeal is brought.
- (3) Where at any time after the giving of notice of appeal under this paragraph and before the determination of the appeal by the Com' missioners, the Board and the appellant agree that the notice in respect of which the appeal is brought should be accepted or withdrawn or varied, the same consequences shall ensue as if the Commissioners had determined the appeal to that effect.
- (4) If, on the hearing of an appeal under this paragraph it appears to the majority of the Commissioners present at the hearing that the appeal should be allowed they shall allow the appeal and—
- (a) where the appeal is against a notice of rejection of an election or proposed new price formula, they shall substitute a notice of acceptance of the election or price formula without modification or with such modifications as they think fit;

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- (b) where the appeal is against a notice under paragraph 5 or paragraph 6(1)(b) above, they may direct that the price formula in question shall continue to have effect as if the notice had not been given ; and
 - (c) where the appeal is against a notice under paragraph 6(3) above rejecting a notice under paragraph 6(1)(b) above, the Commissioners shall substitute a notice of acceptance.
- (5) Sub-paragraphs (2), (8) and (11) of paragraph 14 of Schedule 2 to the principal Act shall apply in relation to an appeal against any such notice as is referred to in sub-paragraph (1) above as they apply in relation to an appeal against an assessment or determination made under the principal Act, but with the substitution, for any reference to the participator, of a reference to the person or persons who gave notice of appeal under sub-paragraph (2) above.
- (6) Where notice of appeal is duly given against a notice given by the Board under paragraph 5 or paragraph 6(1)(b) above, the period of three months referred to in paragraph 5(2)(a) or, as the case may be, paragraph 6(5)(b) above shall not begin to run until the appeal is withdrawn or finally determined.
- (7) Any reference in section 134 of this Act or the preceding provisions of this Schedule to an election accepted by the Board shall be construed as including a reference to an election accepted in pursuance of an appeal under this paragraph.

Returns

- 9 In any case where a notice under paragraph 5(1)(b) above or paragraph 6(1)(b) above relating to an election has been given to a party to the election or to the Board then, unless the notice has been withdrawn (whether in pursuance of an appeal or otherwise) or a price formula different from that to which the notice referred has effect as if specified in the election, any party to the election, in making a return under paragraph 2 of Schedule 2 to the principal Act with respect to ethane to which that election applies or which by virtue of that election falls within section 134(3) of this Act—
- (a) where the notice was given under paragraph 5 above, may include the market value on and after the date specified in the notice of any such ethane determined on such basis as appears to him to be the best practical alternative to that provided by the price formula to which the notice referred to and
 - (b) where the notice was given under paragraph 6 above, shall include the market value of any such ethane determined in accordance with the price formula to which the notice referred.

Penalties for incorrect information etc.

- 10 (1) Paragraphs 8 and 9 of Schedule 2 to the principal Act (which penalise inaccurate returns etc. and are in this paragraph referred to as " the penalty provisions ") shall apply, in accordance with sub-paragraph (2) or sub-paragraph (3) below, in relation to inaccurate information—
- (a) contained in an election ; or
 - (b) furnished pursuant to a notice under paragraph 2(3) or paragraph 7(3) above ; or
 - (c) contained in any books, accounts or documents made available as mentioned in paragraph 2(3)(b) or paragraph 7(3)(b) above.

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- (2) Where the inaccurate information is provided by a participator, the penalty provisions shall apply—
 - (a) as they apply in relation to an incorrect return under paragraph 2 of Schedule 2 to the principal Act; and
 - (b) as if the reference in paragraph 8(2)(a)(i) of that Schedule to the chargeable period to which the return relates were a reference to each chargeable period which falls within the period covered by the election and which is affected by any decision of the Board in connection with which the provision of the information was material.
- (3) Where the incorrect information is provided by a person other than a participator, the penalty provisions shall apply—
 - (a) as they apply to an incorrect return under paragraph 5 of Schedule 2 to the principal Act ; and
 - (b) as if that person were the responsible person for an oil field.

Interpretation

- 11 (1) Subsection (6) of section 134 of this Act has effect in relation to this Schedule as it has effect in relation to the preceding provisions of that section.
- (2) In this Schedule, any reference to an election is a reference to an election under section 134 of this Act; and any reference to the date of an election is a reference to the date on which the election (made as mentioned in paragraph 1 above) is received by the Board.
- (3) Any reference in the preceding provisions of this Schedule to the party to an election is relevant only to an election applying to ethane which is relevantly appropriated and is a reference to the participator by whom the ethane is for the time being so appropriated.
- (4) Any reference in the preceding provisions of this Schedule to the parties to an election is relevant only to an election applying to ethane which is disposed of as mentioned in section 134(2)(a) of this Act and is a reference to the participator by whom and the person to whom the ethane is for the time being so disposed of.

SCHEDULE 19

Section 139(6).

SUPPLEMENTARY PROVISIONS RELATING TO APRT

PART I

COLLECTION OF TAX

Payment of tax

- 1 (1) APRT which a participator is liable to pay in respect of any chargeable period for an oil field shall be due on the date on which the return for that period and that field is made by the participator in accordance with paragraph 2 of Schedule 2 to the principal Act or, if a return is not so made, on the last day of the second month

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following that period; and APRT which is due shall be payable without the making of an assessment.

- (2) Subject to sub-paragraph (3) below, every participator in an oil field shall, at the time when he delivers to the Board the return for a chargeable period required by paragraph 2 of Schedule 2 to the principal Act.—
 - (a) deliver to the Board a statement showing whether any, and if so what, amount of APRT is payable by him for that chargeable period in respect of the field ; and
 - (b) subject to the following provisions of this Schedule, pay to the Board the amount of APRT, if any, shown in the statement.
 - (3) In relation to any oil field, sub-paragraph (2) above does not apply with respect to any chargeable period after the last of the nine chargeable periods referred to in section 139(1)(6) of this Act.
 - (4) The statement under sub-paragraph (2)(a) above shall be in such form as the Board may prescribe.
 - (5) Paragraphs 3, 8 and 9 of Schedule 2 to the principal Act shall apply in relation to statements required to be made under this paragraph as they apply in relation to returns required to be made under paragraph 2 of that Schedule.
- 2
- (1) Subject to sub-paragraph (2) below, if for any chargeable period for an oil field ending on or after 30th June 1983—
 - (a) an amount of APRT is shown to be payable by the participator in the statement delivered by him in accordance with paragraph 1 above in respect of that period and that field ; or
 - (b) an amount is payable by the participator on account of petroleum revenue tax in accordance with section 1 of the Petroleum Revenue Tax Act 1980 in respect of that period and that field ; or
 - (c) both such amounts are so payable by the participator,
 then the participator shall pay to the Board six monthly instalments commencing in the second month of the next chargeable period each equal to one-eighth of the amount referred to in paragraph (a) or paragraph (b) above or, where paragraph (c) applies, of the aggregate of those amounts.
 - (2) With respect to the chargeable period which, for an oil field, is the last of the nine chargeable periods referred to in section 139(1)(b) of this Act and with respect to any subsequent chargeable period for that field, sub-paragraph (1) above shall have effect as if—
 - (a) for paragraphs (a) to (c) there were substituted the words " an amount of tax is shown to be payable in the statement delivered in respect of that period in accordance with section 1(1)(a) of the Petroleum Revenue Tax Act 1980 "; and
 - (b) for the words from " the amount referred to in paragraph (a)" onwards there shall be substituted the words " that amount " .
 - (3) Instalments paid in accordance with sub-paragraph (1) above shall be regarded as being paid in respect of the next chargeable period referred to in that sub-paragraph.
 - (4) The aggregate amount paid by a participator in accordance with sub-paragraph (1) above in respect of a chargeable period for an oil field—

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- (a) to the extent that it is equal to or less than his liability, if any, to pay an amount of APRT under paragraph 1 above in respect of that oil field for that chargeable period shall be deemed to be an amount of APRT paid by him in respect of that field for that period ; and
 - (b) to the extent that it exceeds any such liability of his to pay an amount of APRT and is equal to or less than his liability, if any, to pay an amount in respect of that field for that period in accordance with paragraph (b) of subsection (1) of section 1 of the Petroleum Revenue Tax Act 1980 (payments on account of petroleum revenue tax), shall be deemed to be an amount paid by him under that paragraph.
- 3 (1) If in any month a participator in an oil field—
 - (a) has not delivered (otherwise than to the Secretary of State) any of the oil which has been won from the field and disposed of by him at any time in or before that month; and
 - (b) has not relevantly appropriated any of the oil which has been so won by him at any such time,he shall be entitled to withhold the instalment due, under paragraph 2 above, for that field in the following month.
- (2) An instalment shall not be withheld by virtue of the conditions in sub-paragraph (1) above being fulfilled in any month unless a notice to that effect, in such form as the Board may prescribe, is given to the Board before the end of the following month and—
 - (a) where the Board are not satisfied with any such notice, the powers conferred by paragraph 7 of Schedule 2 to the principal Act (production of accounts etc.) shall be exercisable as if the notice were a return under paragraph 2 of that Schedule ; and
 - (b) paragraph 8 of that Schedule (penalties) shall apply to an incorrect notice as it applies to an incorrect return under paragraph 2.
- 4 Certificates of tax deposit issued by the Treasury under section 12 of the National Loans Act 1968 on terms published on or before 14th May 1979 may be used for making payments of APRT and of instalments under paragraph 2 above ; and for that purpose those terms shall have effect with the necessary modifications and as if the tax in or towards the payment of which a certificate is used were due—
 - (a) in the case of APRT payable under paragraph 1 above, two months after the end of the chargeable period to which it relates ;
 - (b) in the case of an instalment payable under paragraph 2 above, at the end of the month in which the instalment is required to be paid.

Assessments and appeals

- 5 (1) Where it appears to the Board that any APRT payable in accordance with paragraph 1 above has not been paid on the due date they may make an assessment to tax on the participator and shall give him notice of any such assessment.
- (2) APRT due under an assessment under this paragraph shall be due within thirty days of the issue of the notice of assessment.
- (3) A notice of assessment shall state that the participator may appeal against the assessment in accordance with paragraph 7 below.

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- (4) After the service of a notice of assessment the assessment shall not be altered except in accordance with the express provisions of this Part of this Schedule or any of the provisions of the Taxes Management Act 1970 which apply by virtue of paragraph 1 of Schedule 2 to the principal Act in relation to the assessment.
- 6 (1) Where it appears to the Board that any gross profit charged to tax on a participator for any chargeable period in respect of an oil field by an assessment under paragraph 5 above ought to have been larger or smaller or that no gross profit accrued to the participator from that oil field during that chargeable period, they may make such amendments to the assessment or withdraw the assessment, as the case may require.
- (2) Where the Board amend an assessment under sub-paragraph (1) above they shall give notice to the participator of the amendment ; and sub-paragraphs (2) to (4) of paragraph 5 above shall apply in relation to any such notice as they apply in relation to a notice of assessment under paragraph 5.
- 7 (1) A participator may appeal to the Special Commissioners against an assessment or amendment of an assessment under paragraph 5 or paragraph 6 above by notice of appeal in writing to the Board given within thirty days of the date of issue of the notice of the assessment or amendment of assessment.
- (2) Sub-paragraphs (2) to (11) of paragraph 14 of Schedule 2 to the principal Act shall apply in relation to an appeal under this paragraph as they apply in relation to an appeal under sub-paragraph (1) of that paragraph except that—
- (a) for each reference in sub-paragraph (3) to tax there shall be substituted a reference to APRT ;
- (b) where in determining the gross profit accruing to a participator from a field in a chargeable period the aggregate of the amounts mentioned in paragraphs (a) to (c) of subsection (5) of section 2 of the principal Act falls to be increased under section 140 of this Act (whether as respects all oil or as respects a particular kind or kinds of oil), the difference mentioned in sub-paragraph (3)(b) (or as the case may be, the difference so far as relating to oil of the particular kind or kinds in question) shall be increased by multiplying it by the fraction mentioned in subsection (2) of section 140;
- (c) for each reference in sub-paragraph (10) to an assessable profit there shall be substituted a reference to a gross profit; and
- (d) any reference in sub-paragraph (10) to an allowable loss shall be omitted.
- 8 Paragraphs 5(2) to (4) and 7 above shall apply in relation to an assessment to APRT under section 142(1) of this Act as if it were an assessment under paragraph 5.

Overpayment of tax

- 9 (1) Where in respect of any oil field a participator has paid an amount of APRT for a chargeable period which exceeds the amount of APRT payable therefor the amount of that excess shall be repaid to him.
- (2) Where in respect of any oil field the amount paid for any chargeable period by a participator by way of instalments under paragraph 2 above exceeds the aggregate of his liabilities mentioned in sub-paragraph (4) of that paragraph, the amount of that excess shall be repaid to him.

Interest

- 10 (1) APRT payable for a chargeable period but not paid before the end of the second month after the end of that period shall carry interest from the end of that month until payment.
- (2) Any amount payable by a participator as an instalment in respect of a chargeable period for a field and not paid by him in the month in which it ought to be paid shall carry interest from the end of that month until—
- (a) payment of the amount, or
 - (b) two months after the end of that period,
- whichever is the earlier.
- (3) Where, in accordance with paragraph 14 of Schedule 2 to the principal Act as applied by paragraph 7 above, APRT may be withheld until the determination or abandonment of an appeal, the interest on that APRT may also be withheld until the determination or abandonment of that appeal.
- (4) Where an amount of APRT or an amount paid by way of instalment becomes repayable, that amount shall carry interest from—
- (a) two months after the end of the chargeable period in respect of which the APRT or the instalment was paid, or
 - (b) the date on which the amount was paid,
- whichever is the later, until repayment.
- (5) For the purposes of sub-paragraph (2) above a payment on account of an overdue instalment shall, so far as possible, be attributed to the earliest month for which an instalment is overdue; and for the purposes of sub-paragraph (4) above any instalment or part of an instalment that becomes repayable shall, so far as possible, be regarded as consisting of the instalment most recently paid.
- (6) In its application (by virtue of paragraph 1 of Schedule 2 to the principal Act) to interest payable under sub-paragraph (1) or sub-paragraph (2) above, section 69 of the Taxes Management Act 1970 shall have effect with the omission of the words " charged and due and payable under the assessment to which it relates ".
- (7) Interest paid to a participator under sub-paragraph (4) above shall be disregarded in computing his income for the purposes of income tax and corporation tax.
- (8) Any reference in this paragraph to interest is a reference to interest at the rate applying under paragraph 15 of Schedule 2 to the principal Act.

Transitional provisions

- 11 (1) In any case where, by virtue of section 105 of the Finance Act 1980, a sum is paid by a participator as an advance payment of tax in respect of an oil field for the chargeable period ending on 30th June 1983 then.—
- (a) to the extent that the sum so paid does not exceed his liability to APRT for that period, it shall be deemed to be a payment of APRT for that period ; and
 - (b) subsection (5) of that section (treatment of advance payments) shall apply to any such sum only to the extent that it exceeds that liability to APRT.
- (2) In subsection (7) of that section the reference to tax assessed on a participator in respect of a field for a chargeable period shall include, for the chargeable period

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ending on 30th June 1983, a reference to the amount (if any) of APRT payable by him in respect of that field for that period.

- 12 (1) Every participator in an oil field shall in March 1983 and in each of the four succeeding months pay to the Board an amount equal to one-fifth of the amount, if any, shown in the statement delivered by the participator under paragraph 10(1)(a) of Schedule 16 to the Finance Act 1981 as supplementary petroleum duty payable by him in respect of the field for the chargeable period ending on 31st December 1982.
- (2) Paragraphs 2(4) and 9 above shall apply in relation to any payment made by the participator under sub-paragraph (1) above as if it were an instalment under paragraph 2 above paid in respect of the chargeable period ending on 30th June 1983 ; but for the purposes of this sub-paragraph the amount of the participator's liability to pay any APRT as mentioned in paragraph 2(4) above shall be reduced by the amount of any APRT deemed to have been paid by him in accordance with paragraph 11 above.
- (3) Paragraphs 3, 4 and 10 above shall apply in relation to a payment under sub-paragraph (1) above as if it were an instalment under paragraph 2 above.
- 13 (1) If, in respect of the chargeable period ending on 30th June 1983, any sum is payable by a participator in accordance with section 1 of the Petroleum Revenue Tax Act 1980, then, so far as the net amount of that sum is concerned, only one-fifth shall become payable at the time specified in that section and the remaining four-fifths shall be paid in four equal monthly instalments in the months of September to December 1983, inclusive.
- (2) The reference in sub-paragraph (1) above to the net amount of any sum payable in accordance with section 1 of the Petroleum Revenue Tax Act 1980 is a reference to the sum specified in paragraph (b) of subsection (1) of that section less any amount which is treated as (or deemed to be) paid as part of that sum—
- (a) by virtue of section 105(5) of the Finance Act 1980, as applied by paragraph 11(1)(b) above ; or
- (b) by virtue of paragraph 2(4)(b) above, as applied by paragraph 12(2) above.
- (3) Any amount payable by a participator as an instalment by virtue of sub-paragraph (1) above and not paid by him in the month in which it ought to be paid shall carry interest from the end of that month until payment.
- (4) Paragraph 15 of Schedule 2 to the principal Act (interest on assessed tax) shall not apply in relation to so much of the tax charged in an assessment on the participator for the chargeable period referred to in sub-paragraph (1) above (excluding any APRT so charged) as is equal to or less than the net amount referred to in that sub-paragraph and payable by him, and in relation to so much if any of that tax as exceeds that net amount paragraph 15 shall apply with the substitution for the words " two months after the end of the period " of the words " the end of October 1983 ".
- (5) If, in respect of the chargeable period referred to in sub-paragraph (1) above, any amount of tax charged by an assessment to tax or paid on account of tax so charged becomes repayable under any provision of Part I of the principal Act, paragraph 16 of Schedule 2 to the principal Act (interest on such repayments) shall have effect in relation to that amount with the substitution for the words following " per annum " of the words " from the end of October 1983 until repayment".

- (6) Sub-paragraphs (5) to (8) of paragraph 10 above shall apply for the purposes of sub-paragraphs (3) and (5) above as they apply for the purposes of sub-paragraphs (2) and (4) of paragraph 10.

PART II

MISCELLANEOUS

Repayment of APRT

- 14 (1) If a participator in an oil field has an excess of APRT credit for the last of the chargeable periods referred to in section 139 (1)(b) of this Act, then, on the making of a claim the amount of that excess shall be repaid to him.
- (2) For the purposes of this paragraph there is an excess of APRT credit for the last of the chargeable periods referred to in subsection (1)(b) of section 139 of this Act if any of that credit would, apart from this paragraph, fall to be carried forward to the next chargeable period in accordance with subsection (4) of that section; and the amount of the excess is the amount of the credit which would fall to be so carried forward.
- (3) A claim under sub-paragraph (1) above shall be made not earlier than two months after the expiry of the last chargeable period referred to in that sub-paragraph.
- (4) In any case where—
- (a) a claim is made under sub-paragraph (1) above before an assessment is made for the chargeable period referred to in that sub-paragraph, and
 - (b) the APRT credit for that period exceeds the amount of tax which, in the statement delivered under section 1(1)(a) of the Petroleum Revenue Tax Act 1980, is shown to be payable by the participator concerned in accordance with the Schedule to that Act for that period in respect of the oilfield in question,
- the amount of the excess shall be repaid to the participator and that repayment shall be regarded as a payment on account of any amount which may fall to be repaid to him by virtue of sub-paragraph (1) above.
- (5) Paragraph 10(4) above shall not apply to any amount of APRT which is repayable only on the making of a claim under sub-paragraph (1) above.
- (6) Amounts repaid to a participator by virtue of this paragraph shall be disregarded in computing his income for the purposes of income tax or corporation tax.

Transfer of interest in fields

- 15 (1) This paragraph has effect in a case where Part I of Schedule 17 to the Finance Act 1980 applies (transfer of interests in oil fields) and expressions used in the following provisions in this paragraph have the same meaning as in that Schedule.
- (2) For the purpose of determining whether the new participator is liable to pay an amount of APRT, but for no other purpose, subsection (1) of section 139 of this Act shall apply as if any gross profit which at any time before the transfer had accrued to the old participator from the field had accrued at that time to the new participator or, if the transfer is of part of the old participator's interest in the field, as if a corresponding part of that gross profit had at that time accrued to the new participator.

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- (3) There shall be treated as the APRT credit of 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 so much, if any, of the old participator's APRT credit in respect of that field for the transfer period as exceeds his liability for petroleum revenue tax for that period.
- (4) For the purposes of computing whether any, and if so what, amount of APRT is payable by the old participator and the new participator for the transfer period or any later chargeable period, it shall be assumed that any application or proposal made in relation to the transfer under paragraph 4 or paragraph 5(1) of Schedule 17 to the Finance Act 1980 and in respect of which the Board have not notified their decision will be accepted by the Board.

Net profit periods

- 16 (1) For the purposes of sections 111, 112 and 113 of the Finance Act 1981 (determination of net profit periods etc.) the total assessable profits which have accrued to a participator from an oil field at the end of a chargeable period may in addition to being set against allowable losses be set against the APRT paid by the participator in respect of that oil field for chargeable periods up to and including that period and accordingly those sections shall have effect subject to the following modifications.
 - (2) In subsection (2) of section 111 (calculation of net profit) for the words from " exceed the total" to the end there shall be substituted the words " exceed the aggregate of the total allowable losses that have so accrued to him and the total amount of advance petroleum revenue tax paid by him in respect of that field for chargeable periods up to and including that period. " and at the end of that subsection there shall be inserted the following subsection—
 - “(2A) For the purposes of subsection (2) above the total amount of advance petroleum revenue tax paid by the participator does not include any amount of that tax repaid to him before the end of the chargeable period first referred to in that subsection or any amount of that tax subsequently repaid to him under section 142(1) of the Finance Act 1982 or under paragraph 9 of Schedule 19 to that Act.”.
 - (3) In section 112 (application of section 111 where an interest in an oil field is transferred) the following subsection shall be inserted after subsection (4)—
 - “(4A) Subsections (2) and (2A) of section 111 shall have effect as if references to the amount of advance petroleum revenue tax paid by the new participator or repaid to him included references to the amount of that tax paid by or repaid to the old participator or, where the old participator has transferred part of his interest, such part of that amount as is just and reasonable.”.
 - (4) In section 113 (relief where total allowable losses exceed total allowable profits after the net profit period) the following subsection shall be substituted for subsection (1) —
 - “(1) This section has effect where the aggregate of—
 - (a) the total allowable losses that have accrued to a participator from an oil field in chargeable periods up to and including a chargeable period ending not more than three years after his net profit period, and

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- (b) the amount of advance petroleum revenue tax paid by him in respect of that field for those periods less any such tax repaid to him before the end of those periods or repaid subsequently under section 142(1) of the Finance Act 1982 or paragraph 9 of Schedule 19 to that Act, exceeds the total assessable profits (without any reduction under section 7 or 8 of the principal Act) that have so accrued to him.”

Abandoned fields

- 17 (1) The provisions of this paragraph apply where—
- (a) the responsible person for an oil field has given notice under paragraph 1 of Schedule 8 to the principal Act that the winning of oil from the field has permanently ceased ; and
 - (b) he has been notified of a decision (whether of the Board or on appeal from the Board) that the winning of oil has so ceased ; and
 - (c) the date stated in that decision as the date on which the winning of oil from the field ceased is earlier than the expiry of the last of the chargeable periods specified in section 139(1)(b) of this Act.
- (2) Where a participator in the field in question has an amount of APRT credit—
- (a) which cannot be set against a liability for petroleum revenue tax under section 139(3) of this Act, and
 - (b) which is not repayable by virtue of any other provision of this Schedule,
- then, on the making of a claim, that amount shall be repaid to him.
- (3) Paragraph 10(4) above shall not apply to any amount of APRT which is repayable only on the making of a claim under sub-paragraph (2) above.
- (4) Any claim under sub-paragraph (2) above shall be made before any claim for any unrelievable field loss allowance under section 6 of the principal Act; and any amount of APRT which is repayable by virtue of such a claim shall be left out of account in determining the amount of any such loss.
- (5) Amounts repaid to a participator under this paragraph shall be disregarded in computing his income for the purposes of income tax and corporation tax.

PART III

AMENDMENTS

- 18 In section 2 of the principal Act, at the beginning of subsection (4), there shall be inserted the words " For the purposes of the tax (including advance petroleum revenue tax) ".
- 19 (1) In paragraph 13 of Schedule 2 to the principal Act for the words from " so far as " to " four months " there shall be substituted the words " and payable shall be due within six months ".
- (2) This paragraph has effect with respect to chargeable periods ending on or after 30th June 1983.
- 20 In sub-paragraph (2) and (4) of paragraph 5 of Schedule 3 to the principal Act (liability for petroleum revenue tax and interest in the case of transfers to associated

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companies) the references to tax and to interest payable under Part I of that Act shall include references to APRT and to interest payable under paragraph 10 or paragraph 13 above.

21 In section 1 of the Petroleum Revenue Tax Act 1980 (payments on account of petroleum revenue tax)—

- (a) at the end of paragraph (b) of subsection (1) (computation of payments) there shall be added the words " less an amount equal to his APRT credit for that chargeable period in respect of that oil field. "; and
- (b) in subsection (3) (repayment of excess) after the words " tax so charged" there shall be inserted the words " less the amount of the APRT credit deducted in accordance with subsection (1)(b) above from the tax shown in the statement "; and
- (c) the following subsections shall be inserted after subsection (3)—

“(3A) In subsections (1) and (3) above " APRT credit " has the meaning given by section 139(4) of the Finance Act 1982.

(3B) Paragraphs 3, 8 and 9 of Schedule 2 to the principal Act (penalties for failure to make returns under paragraph 2 of that Schedule) shall apply in relation to statements required to be made under subsection (1)(a) above as they apply in relation to returns required to be made under paragraph 2 of that Schedule.””

SCHEDULE 20

Section 151.

NATIONAL SAVINGS ACCOUNTS

1 The National Savings Bank Act 1971 shall have effect subject to the following amendments.

2 In subsection (2) of section 3 (provisions as to investment and ordinary deposits)—

- (a) after the words " investment deposits " there shall be inserted the words " and with respect to investment deposits of different descriptions "; and
- (b) after the words " investment deposit" there shall be inserted the words " or an investment deposit of a particular description ".

3 (1) In section 4 (power by order to limit amount of deposits) the following subsection shall be inserted after subsection (1)—

“(1A) The Treasury may by order prescribe an amount as the minimum balance for investment accounts and may provide for converting into a different description of investment account any account into which investment deposits of any description are made if the balance of that account falls below the minimum balance so prescribed for an account of that description.”

(2) At the end of paragraph (a) of subsection (2) of section 4 there shall be inserted the words " and with respect to investment deposits of different descriptions ".

4 (1) In subsection (1) of section 5 (interest on ordinary deposits) after the words " other rate " there shall be inserted the words " or rates " and at the end of the subsection there shall be added the words " and the Treasury may determine different rates of interest in relation to amounts deposited in any ordinary deposit account by reference to any one or more of the following factors, namely—

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- (a) the balance of the account at any time or over any period or the aggregate balance of that account and the depositor's other ordinary deposit accounts at any time or over any period ; and
 - (b) the number of withdrawals from that account over any period or the number of withdrawals from that account and the depositor's other ordinary deposit accounts."
 - (2) In subsection (5) of that section, for the words " the rate " there shall be substituted the words " any of the rates " .
- 5
- (1) In section 6 (interest on investment deposits) at the end of subsection (1) there shall be added the words " and different terms may be prescribed in relation to different descriptions of investment deposits " .
 - (2) In subsection (2) of section 6, after the words " in relation to " there shall be inserted the words " different descriptions of investment deposits and " .
 - (3) After subsection (2) of section 6 there shall be inserted the following subsection: —
 - “(2A) Without prejudice to the generality of subsection (2) above, the Treasury may determine, in relation to an account into which investment deposits of any description are made, different rates of interest by reference to any one or more of the following factors, namely.—
 - (a) the balance of that account at any time or over any period or the aggregate balance of the account and the depositor's other accounts of the same description, or the depositor's other investment accounts of any description, at any time or over any period ; and
 - (b) the number of withdrawals from that account over any period or the number of withdrawals from that account and the depositor's other accounts of the same description, or the depositor's other investment accounts of any description, over any period.”
 - (4) In subsection (3) of section 6 for the words following " investment deposits " there shall be substituted the words " or investment deposits of a particular description; and any such alteration may affect deposits received at or before, as well as after the time the alteration is made " .
- 6
- In section 7 (withdrawal of deposits)—
 - (a) in subsection (1) for the words " deposit, or part of a deposit," there shall be substituted the words " ordinary deposit, or part of an ordinary deposit, "; and
 - (b) the following subsection shall be substituted for subsection (2)-
 - “(2) The terms as to withdrawal of investment deposits shall be such as may from time to time be prescribed.”.
- 7
- In subsection (1) of section 8 (matters which may be included in regulations under section 2 of the Act)—
 - (a) the following paragraph shall be substituted for paragraph (b)—
 - “(b) for the giving of statements of accounts or the issuing of depositors' books and for prescribing the entries to be made in such books ;” ; and
 - (b) in paragraph (d) of that subsection (entries, etc. to be proof of certain matters) for the words " or acknowledgements made " there shall be

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substituted the words " , acknowledgements or statements of accounts made or given " .

- 8 In section 27 (interpretation) after the definition of " the Commissioners " there shall be inserted the following definition—
 “‘interest ’, in relation to investment deposits, includes any bonus or other payment, whether payable annually or otherwise, which constitutes income derived from the whole or any part of the deposits.”

SCHEDULE 21

Section 156.

DISSOLUTION OF BOARD OF REFEREES: CONSEQUENTIAL PROVISION

Capital Allowances

- 1 (1) Section 26 of the Capital Allowances Act 1968 (determination and review of percentage rates, for tax purposes, on wear and tear allowances for plant and machinery) shall be amended as follows.
- (2) In subsection (2) for the words from " a Board of Referees " to " and the Referees " there shall be substituted the words " the tribunal, who " .
- (3) In the proviso to subsection (2), and in subsection (3), for the word " Referees " in each place where it occurs there shall be substituted the word " tribunal " .
- (4) For subsection (7) there shall be substituted the following subsection—
 “(7) In this section ' tribunal' means the tribunal established under section 463 of the principal Act.”
- 2 The Income Tax (Applications for Increase of Wear and Tear Percentages) Regulations 1950 shall have effect as if for references to the Board of Referees there were substituted references to the tribunal.

The tribunal

- 3 (1) For paragraph (a) of section 463 of the Taxes Act (constitution of tribunal) there shall be substituted the following paragraph—
 “(a) a chairman, appointed by the Lord Chancellor, and” .
- (2) In this Schedule " tribunal" means the tribunal established under section 463 of the Taxes Act.

Savings and transitionals

- 4 (1) Section 54 of the Taxes Management Act 1970 (settling of appeals by agreement) shall apply to the tribunal in relation to the exercise of functions transferred by section 156 of this Act as it applied, by virtue of paragraph 8 of Schedule 4 to that Act, to the Board of Referees.
- (2) Section 156 of this Act shall not affect the validity of anything done by or in relation to the Board of Referees before the commencement of that section ; and anything

which at that date is in process of being done by or in relation to the Board may be continued by or in relation to the tribunal.

SCHEDULE 22

Section 157.

REPEALS

PART I

MISCELLANEOUS CUSTOMS AND EXCISE AND VALUE ADDED TAX

Chapter	Short Title	Extent of Repeal
1981 c. 35.	The Finance Act 1981.	In section 1, subsections (1), (3) and (4). Section 2. In section 12, subsections (1) and (2). Schedules 1 and 2.

PART II

VEHICLES EXCISE DUTY

Chapter	Short Title	Extent of Repeal
1971 c. 10.	The Vehicles (Excise) Act 1971.	In Schedule 6, paragraphs 3 and 5.
1972 c. 10 (N.I.).	The Vehicles (Excise) Act (Northern Ireland) 1972.	In Schedule 7, paragraphs 3 and 5.
1981 c. 56.	The Transport Act 1981.	Section 33. Section 34. Schedule 11.
1981 c. 35.	The Finance Act 1981.	In section 7, subsections (2) and (3). In section 8, subsections (2) and (3). Schedule 3. Schedule 4.

The repeals in the Finance Act 1981 do not affect licences taken out before 10th March 1982.

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PART III

GAMING MACHINE LICENCE DUTY

Chapter	Short Title	Extent of Repeal
1972 c. 11 (N.I.).	The Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972.	In section 44, subsections (3) (c) and (6)(aa). In paragraph the words " the peak rate ".
1980 c. 48.	The Finance Act 1980.	In Schedule 6, paragraph 15(2) and (4).
1981 c. 35.	The Finance Act 1981.	Section 9(6).
1981 c. 63.	The Betting and Gaming Duties Act 1981.	In section 22, subsections (5) (c) and (6). In section 25(4), the word " and ", at the end of paragraph (b), and paragraph (c).

These repeals do not affect licences for periods beginning before 1st October 1982.

PART IV

INCOME AND CORPORATION TAX: GENERAL

Chapter	Short Title	Extent of Repeal
1970 c. 10.	The Income and Corporation Taxes Act 1970.	Section 8(2)(b)(ii). Section 131(6). Section 228(5). Section 249(5). Section 416(4).
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 36(5)(a). In section 36A(1), paragraph (a) and, in paragraph (b), the words "(including any interest paid in connection therewith)".
1976 c. 40.	The Finance Act 1976.	Section 64A(7) and (8).

1. The repeals of sections 131(6) and 249(5) of the Income and Corporation Taxes Act 1970 have effect in relation to payments of interest made, and the repeal of section 416(4) has effect in relation to securities issued, after 5th April 1982.
2. The repeals in section 36 and 36A of the Finance (No. 2) Act 1975 have effect for the year 1982-83 and subsequent years of assessment.

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Chapter	Short Title	Extent of Repeal
1980 c. 48.	The Finance Act 1980.	In Schedule 12, in paragraph 7(3) the words from " and a television set" onwards.
1981 c. 35.	The Finance Act 1981.	Section 24. In section 27(3), the words " (except so far as made by virtue of section 4 of that Act)". In section 27(8) the word " and " where it appears at the end of paragraph (b). Section 42(2)(c). In section 68, subsections (2), (4) and (5).

1. The repeals of sections 131(6) and 249(5) of the Income and Corporation Taxes Act 1970 have effect in relation to payments of interest made, and the repeal of section 416(4) has effect in relation to securities issued, after 5th April 1982.
2. The repeals in section 36 and 36A of the Finance (No. 2) Act 1975 have effect for the year 1982-83 and subsequent years of assessment.

PART V

OPTION MORTGAGE SCHEMES

Chapter or Number	Short Title	Extent of Repeal
1967 c. 29.	The Housing Subsidies Act 1967.	Sections 24 to 32.
1969 c. 33.	The Housing Act 1969.	Sections 78 and 79.
1970 c. 10.	The Income and Corporation Taxes Act 1970.	In Schedule 15, the entry in Part II relating to the Housing Subsidies Act 1967.
1971 c. 68.	The Finance Act 1971.	Section 66.
1974 c. 44.	The Housing Act 1974.	Section 119. Schedule 11.
1980 c. 51.	The Housing Act 1980.	Sections 114 to 116. Schedule 14.
S.I. 1981/156 (N.I. 3).	The Housing (Northern Ireland) Order 1981.	Articles 141 to 152.

These repeals have effect on 1st April 1983, but subject to subsections (2) to (4) of section 27 of this Act.

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PART VI

CAPITAL GAINS

Chapter	Short Title	Extent of Repeal
1979 c. 14.	The Capital Gains Tax Act 1979.	<p>Section 55(2).</p> <p>Section 56(2)</p> <p>In section 146(3)— the words " or 55 "; the words from " or (b) " to " paragraph 12 "; the words " or the assets are so held "; the words from " or of the assets " to "(b) above"; the words " and 55 ".</p> <p>In section 147(3), the words " or 55(1)".</p> <p>In Schedule 4— in paragraph 2(1) the words " or 55(1) "; paragraph 2(3)(b); in paragraph 3(1)(a), the words " or 55(1) ".</p>
1980 c. 48.	The Finance Act 1980.	<p>In section 79(4), the words from " or " onwards.</p> <p>In section 79(5), the words from " and where " onwards.</p>
1981 c. 35.	The Finance Act 1981.	Section 78(1) and (3).

The repeals of section 55(2) and 56(2) of the Capital Gains Tax Act 1979 have effect in relation to interests terminating after 5th April 1982 and the remaining repeals have effect in relation to disposals after that date.

PART VII

CAPITAL TRANSFER TAX

Chapter	Short Title	Extent of Repeal
1975 c. 7.	The Finance Act 1975.	<p>In section 20(7) the words " (within the meaning of Schedule 5 to this Act) ".</p> <p>Section 26(2A).</p> <p>In section 51, in subsection (1) the definition of " capital distribution", and in subsection (5) the words " (except paragraph 11(10) of Schedule 5)".</p> <p>In Schedule 4, in paragraphs 2(7), 12(4) and 19(1)(e) the words "or section 89 of the Finance Act 1980 " and the words " or paragraph 3 of Schedule 15 to the Finance Act 1981 ".</p> <p>In Schedule 5— paragraphs 6 to 15; paragraph 16(5); in paragraph 17, in sub-paragraph (1) the words " or (c) charities ", sub-paragraph (3)(c) to (e) and the word " and " immediately preceding paragraph (c), and sub-paragraphs (4) and (5) to (9); in paragraph 18 (as it applies where the failure or determination of the trusts concerned was before 12th April 1978), sub-paragraphs (2) and (3);</p>

1. The repeals of—
 - (a) section 26(2A) of the Finance Act 1975,
 - (b) paragraph 4A of Schedule 15 to the Finance Act 1980, and
 - (c) section 99 of and Schedule 15 to the Finance Act 1981,
 together with the repeals in Schedule 4 to the Finance Act 1975 relating to Schedule 15 to the Finance Act 1981, have effect in relation to deaths on or after 15th November 1976.
2. The repeal of paragraph 12(1) and (2) of Schedule 5 to the Finance Act 1975 has effect as from 1st January 1982.
3. The remaining repeals, except those in section 86 of the Finance Act 1980, have effect in relation to events after 8th March 1982 (or, in a case within Part II of Schedule 15 to this Act, 31st March 1983 or, as the case may be, 31st March 1984).

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Chapter	Short Title	Extent of Repeal
1976 c. 40.	The Finance Act 1976.	<p>in paragraph 19 (as it applies to property transferred into settlement before 10th March 1981), sub-paragraphs (2) and (3); paragraphs 20 and 21; in paragraph 24, sub-paragraph (4).</p> <p>In Schedule 6, paragraphs 10(2), 11(1 A), 12(2), 13(1 A) and 15(6).</p> <p>Section 79(2), (5) and (6).</p> <p>Section 84.</p> <p>In section 105, in subsection (1) the words " (2) and " and " paragraph 6(7) were omitted and ", and subsection (2).</p> <p>Section 106.</p> <p>Section 107(3) and (4).</p> <p>Section 110(3).</p> <p>In section 111, subsections (1) to (3), in subsection (4) the words from " after sub-paragraph (1) " to " Schedule 5 to this Act", and subsection (5).</p> <p>In section 118(2) the words from " and subsection (4) " onwards.</p> <p>Section 118(4).</p> <p>In Schedule 11, paragraph 4.</p> <p>In Schedule 14, paragraphs 2, 3, 8, 11, 12, 13(c) and (d), 14, 15, 16 and 17.</p>
<p>1. The repeals of—</p> <p>(a) section 26(2A) of the Finance Act 1975,</p> <p>(b) paragraph 4A of Schedule 15 to the Finance Act 1980, and</p> <p>(c) section 99 of and Schedule 15 to the Finance Act 1981,</p> <p>together with the repeals in Schedule 4 to the Finance Act 1975 relating to Schedule 15 to the Finance Act 1981, have effect in relation to deaths on or after 15th November 1976.</p> <p>2. The repeal of paragraph 12(1) and (2) of Schedule 5 to the Finance Act 1975 has effect as from 1st January 1982.</p> <p>3. The remaining repeals, except those in section 86 of the Finance Act 1980, have effect in relation to events after 8th March 1982 (or, in a case within Part II of Schedule 15 to this Act, 31st March 1983 or, as the case may be, 31st March 1984).</p>		

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Chapter	Short Title	Extent of Repeal
1977 c. 36.	The Finance Act 1977.	Section 50. In section 51, subsections (3) and (4).
1978 c. 42.	The Finance Act 1978.	In section 64, subsection (6), and in subsection (7) the words from the beginning to " and" and the word " other ". In section 69, subsections (2) and (3), and in subsection (6) the words " 6(6B) and 14(5)". Section 70. In section 71(2) the words from " but " to the end. In section 72(2) the words from " and " onwards. In Schedule 11, paragraph 1.
1979 c. 47.	The Finance (No. 2) Act 1979.	Section 23.
1980 c. 48.	The Finance Act 1980.	In section 86, subsection (4), and in subsection (5) the words " and (4) ". Section 88(1) to (6). Sections 89 to 91. In Schedule 15, paragraphs 3 and 4A, and in paragraph 5 the words "or 81(4)(b)", " or a settlement which ceased to exist" and "or when the settlement ceased to exist". Schedule 16.
1981 c. 35.	The Finance Act 1981.	In section 92, subsection (3), in subsection (4) the words " or 81(4)(b), ", " or a settlement which ceased to exist" and " or when the

1. The repeals of—
 - (a) section 26(2A) of the Finance Act 1975,
 - (b) paragraph 4A of Schedule 15 to the Finance Act 1980, and
 - (c) section 99 of and Schedule 15 to the Finance Act 1981,
 together with the repeals in Schedule 4 to the Finance Act 1975 relating to Schedule 15 to the Finance Act 1981, have effect in relation to deaths on or after 15th November 1976.
2. The repeal of paragraph 12(1) and (2) of Schedule 5 to the Finance Act 1975 has effect as from 1st January 1982.
3. The remaining repeals, except those in section 86 of the Finance Act 1980, have effect in relation to events after 8th March 1982 (or, in a case within Part II of Schedule 15 to this Act, 31st March 1983 or, as the case may be, 31st March 1984).

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Chapter	Short Title	Extent of Repeal
		settlement ceased to exist", and subsection (5). Section 99. Section 102. Schedule 15.
<p>1. The repeals of—</p> <p>(a) section 26(2A) of the Finance Act 1975, (b) paragraph 4A of Schedule 15 to the Finance Act 1980, and (c) section 99 of and Schedule 15 to the Finance Act 1981, together with the repeals in Schedule 4 to the Finance Act 1975 relating to Schedule 15 to the Finance Act 1981, have effect in relation to deaths on or after 15th November 1976.</p> <p>2. The repeal of paragraph 12(1) and (2) of Schedule 5 to the Finance Act 1975 has effect as from 1st January 1982.</p> <p>3. The remaining repeals, except those in section 86 of the Finance Act 1980, have effect in relation to events after 8th March 1982 (or, in a case within Part II of Schedule 15 to this Act, 31st March 1983 or, as the case may be, 31st March 1984).</p>		

PART VIII

STAMP DUTY

Chapter	Short Title	Extent of Repeal
1974 c. 30.	The Finance Act 1974.	In section 49, subsections (2) and (3).
1980 c. 48.	The Finance Act 1980.	In section 118(3) the words "section 49(2) of the Finance Act 1974 (relief from stamp duty)".

PART IX

OIL TAXATION

Chapter	Short Title	Extent of Repeal
1975 c. 22.	The Oil Taxation Act 1975.	In section 12(3) the words from "as regards" to "any oil field". In Schedule 3, in paragraph 8(1) the words from "unless it is so met by a grant" onwards.
<p>1. The repeal in section 12(3) of the Oil Taxation Act 1975 has effect in relation to determinations made after 31st December 1981.</p> <p>2. The repeal of section 105 of the Finance Act 1980 does not have effect in relation to chargeable periods ending on or before 30th June 1983.</p> <p>3. The repeal of sections 122 to 128 of and Schedule 16 to the Finance Act 1981 does not have effect in relation to chargeable periods ending on or before 31st December 1982.</p>		

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

Chapter	Short Title	Extent of Repeal
1980 c. 48.	The Finance Act 1980.	Section 105.
1981 c. 35.	The Finance Act 1981.	Sections 122 to 128. Schedule 16.
<ol style="list-style-type: none"> 1. The repeal in section 12(3) of the Oil Taxation Act 1975 has effect in relation to determinations made after 31st December 1981. 2. The repeal of section 105 of the Finance Act 1980 does not have effect in relation to chargeable periods ending on or before 30th June 1983. 3. The repeal of sections 122 to 128 of and Schedule 16 to the Finance Act 1981 does not have effect in relation to chargeable periods ending on or before 31st December 1982. 		

PART X

BOARD OF REFEREES

Chapter	Short Title	Extent of Repeal
1970 c. 9.	The Taxes Management Act 1970.	Section 6(1)(b). In Schedule 4, paragraph 8.
1971 c. 62.	The Tribunals and Inquiries Act 1971.	In Schedule 1, paragraph 29(c).
1975 c. 24.	The House of Commons Disqualification Act 1975.	In Schedule 1, in Part III, the entry relating to the Board of Referees appointed for the purposes of section 26 of the Capital Allowances Act 1968.
1975 c. 25.	The Northern Ireland Assembly Disqualification Act 1975.	In Schedule 1, in Part III, the entry relating to the Board of Referees appointed for the purposes of section 26 of the Capital Allowances Act 1968.

PART XI

SPENT ENACTMENTS

Chapter	Short Title	Extent of Repeal
1947 c. 46.	The Wellington Museum Act 1947.	Section 4(3).
1970 c. 10.	The Income and Corporation Taxes Act 1970.	Section 10. Section 11(1), (2), (3) and (6),

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Chapter	Short Title	Extent of Repeal
1971 c. 68.	The Finance Act 1971.	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. In Schedule 4, paragraph 3(1) (a). In Schedule 6, paragraph 6.
1975 c. 7.	The Finance Act 1975.	In Schedule 6, paragraphs 1(3) and (4) and 10(4) and (5).
1975 c. 45.	The Finance (No. 2) Act 1975.	In Schedule 12— paragraph 5 of Part I; paragraph 3 of Part III; paragraph 4 of Part IV.
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).
1980 c. 48.	The Finance Act 1980.	Section 25.