



Finance Act 1983

1983 CHAPTER 28

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

10 Charge of income tax for 1983-84

- (1) Income tax for the year 1983-84 shall be charged at the basic rate of 30 per cent.; and
- (a) in respect of so much of an individual's total income as exceeds £12,800 at such higher rates as are specified in the Table below; and
 - (b) in respect of so much of the investment income included in an individual's total income as exceeds £6,250 at the additional rate of 15 per cent.

TABLE

<i>Part of excess over £12,800</i>	<i>Higher rate</i>
The first £2,300	40 per cent.
The next £4,000	45 per cent.
The next £6,200	50 per cent.
The next £6,200	55 per cent.
The remainder	60 per cent.

- (2) Nothing in this section requires any change to be made in the amounts deductible or repayable under section 204 of the Taxes Act (pay as you earn) before 31st August 1983.

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- (3) Notwithstanding anything in the preceding provisions of this section, the amounts deductible or repayable under section 204 of the Taxes Act on and after 11th May 1983 and before 31st August 1983 may be such as would be requisite to give effect to the provisions as to higher rate tax and the investment income surcharge contained in a Resolution passed by the House of Commons on 21st March 1983.
- (4) Section 24(4) of the Finance Act 1980 (increase of basic rate limit, higher rate bands and investment income threshold) shall not apply for the year 1983-84.

11 Charge of corporation tax for financial year 1982

Corporation tax shall be charged for the financial year 1982. at the rate of 52 per cent.

12 Rate of advance corporation tax for financial year 1983

The rate of advance corporation tax for the financial year 1983. shall be three-sevenths.

13 Corporation tax: small companies

The small companies rate for the financial year 1982 shall be 38 per cent., and for that year the fraction mentioned in subsection (2) of section 95 of the Finance Act 1972 (marginal relief for small companies) shall be seven seventy-fifths.

14 Personal reliefs

- (1) Section 24(5) of the Finance Act 1980 (increase of personal reliefs) shall not apply for the year 1983-84.
- (2) In section 8 of the Taxes Act (personal reliefs)—
 - (a) in subsection (1)(a) (married) for " £2,445 " there shall be substituted " £2,795 " ;
 - (b) in subsections (1)(b) (single) and (2) (wife's earned income relief) for " £1,565 " there shall be substituted " £1,785 " ;
 - (c) in subsection (1A) (age allowance) for " £3,295 " and " £2,070 " there shall be substituted " £3,755 " and " £2,360 " respectively ; and
 - (d) in subsection (1B) (income limit for age allowance) for " £6,700 " there shall be substituted " £7,600 "

15 Widow's bereavement allowance

- (1) In section 15A of the Taxes Act (widow's bereavement allowance) for the words " for that year " there shall be substituted the following paragraphs—
 - “(a) for that year of assessment, and
 - (b) unless she marries again before the beginning of it, for the next following year of assessment”.
- (2) In section 36(8)(b)(i) of the Finance Act 1976 (deductions which are not transferable between husband and wife) for the words " and 14 " there shall be substituted the words " 14 and 15A " .
- (3) Subsection (1) above has effect in any case where the widow's bereavement occurred or occurs in the year 1982-83 or in any subsequent year of assessment

and subsection (2) above has effect for the year 1983-84 and subsequent years of assessment.

16 Relief for interest

- (1) In sub-paragraph (1) of paragraph 5 of Schedule 1 to the Finance Act 1974 (limit on relief for interest on certain loans for the purchase or improvement of land) the references to £25,000 shall have effect for the year 1983-84.
- (2) Nothing in this section requires any change to be made in the amounts deductible or repayable under section 204 of the Taxes Act (pay as you earn) before 31st August 1983.
- (3) Notwithstanding anything in the preceding provisions of this section, the amounts deductible or repayable under section 204 of the Taxes Act on and after 11th May 1983 and before 31st August 1983 may be such as would be requisite to give effect to the provisions as to relief for interest contained in a Resolution passed by the House of Commons on 21st March 1983.

17 Loan interest paid under deduction of tax

- (1) In paragraph 4 of Schedule 7 to the Finance Act 1982 (interest on home improvement loans to qualify as relevant loan interest only if certain conditions are fulfilled) at the end of paragraph (b) of sub-paragraph (1) there shall be added the words “or
(c) it is interest to which sub-paragraph (3) of paragraph 2 above applies”.
- (2) In paragraph 5 of that Schedule (loans over the tax relief limit) after sub-paragraph (3) there shall be inserted the following sub-paragraph: —

“(3A) The reference in sub-paragraph (1) above to a loan only part of the interest on which would (apart from the principal section) be eligible for relief under section 75 of the Finance Act 1972 includes a reference to each of two or more loans if, by virtue of sub-paragraph (4)(b) of paragraph 5 of the 1974 Schedule, the interest on the loans falls to be treated for the purposes of that paragraph as payable on one loan; but, notwithstanding that each of those loans is accordingly a limited loan for the purposes of this paragraph, none of the interest on any of them is relevant loan interest unless each of the loans was made by the same qualifying lender”;

and in sub-paragraph (4) of that paragraph after the words “ sub-paragraph (3) ” there shall be inserted the words “ or sub-paragraph (3A) ” .
- (3) In paragraph 14 of that Schedule (qualifying lenders for the purposes of deduction of tax from certain loan interest) after paragraph (a) of sub-paragraph (1) there shall be inserted the following paragraph: —

“(m) the Church of England Pensions Board”;

and at the end of paragraph (o) of sub-paragraph (1) there shall be added the words “ and any other body whose activities and objects appear to the Treasury to qualify it for inclusion in this paragraph ” .
- (4) In sub-paragraph (2) of paragraph 14 of that Schedule (Treasury orders) after the words “by order” there shall be inserted the words “ made by statutory instrument ” .
- (5) In paragraph 1 of Schedule 9 to the Finance Act 1972 (interest eligible for relief on loans for purchase or improvement of land) at the end of sub-paragraph (c)

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(replacement loans) there shall be added the words " or would have been so eligible apart from section 26 of the Finance Act 1982 " .

- (6) This section has effect with respect to interest due on or after 6th April 1983 or, where sub-paragraph (3) or sub-paragraph (4) of paragraph 2 of Schedule 7 to the Finance Act 1982 applies, on or after 1st April 1983.

18 Assigned life policies and annuity contracts

- (1) Subsection (4) of section 394 of the Taxes Act (no chargeable event where life policy has previously been assigned for money or money's worth) shall be amended as follows: —
- (a) at the beginning there shall be inserted the words " Except as provided by Schedule 4 to the Finance Act 1983 " ;
 - (b) after the word " policy " , where it first occurs, there shall be inserted the words " issued in respect of an insurance made before 26th June 1982 " ; and
 - (c) after the words " at any time " there shall be inserted the words " before that date and " .
- (2) Subsection (2) of section 396 of the Taxes Act (which makes corresponding provision in relation to life annuity contracts) shall be amended as follows: —
- (a) at the beginning there shall be inserted the words " Except as provided by Schedule 4 to the Finance Act 1983 " ;
 - (b) after the word " contract" , where it first occurs, there shall be inserted the words " made before 26th June 1982 " ; and
 - (c) after the words " at any time " there shall be inserted the words " before that date and " .
- (3) Schedule 4 to this Act shall have effect for the purposes of this section and in that Schedule "the relevant provision" means.—
- (a) in relation to a life policy, section 394(4) of the Taxes Act; and
 - (b) in relation to a contract for a life annuity, section 396(2) of that Act.
- (4) Expressions used in this section and in Schedule 4 to this Act have the same meaning as in Chapter III of Part XIV of the Taxes Act.
- (5) This section and Schedule 4 to this Act shall be deemed to have come into force on 26th June 1982.

19 Retirement annuity relief: early retirement

- (1) In section 226 of the Taxes Act (approval of retirement annuity contracts and trust schemes) in subsection (3)(c) (occupations from which retirement before attaining the age of sixty is customary) the words " (but not before he attains the age of fifty) " shall cease to have effect.
- (2) This section shall be deemed to have come into force on 6th April 1983.

20 Scholarships

- (1) In Chapter II of Part III of the Finance Act 1976 (benefits derived by company directors and others from their employment), the following section shall be inserted after section 62—

“62A Scholarships.

- (1) Nothing in section 375 of the Taxes Act (scholarship income not to be taken into account as income for income tax purposes) shall be construed as conferring on any person other than the person holding the scholarship in question any exemption from the charge to tax under section 61 above.
 - (2) For the purposes of this Chapter, any scholarship provided for a member of a person's family or household shall, without prejudice to any other provision of this Chapter, be taken to have been provided by reason of that person's employment if it is provided under arrangements entered into by, or by any person connected with, his employer (whether or not those arrangements require the employer or connected person to contribute directly or indirectly to the cost of providing the scholarship).
 - (3) Section 61 above does not apply to a benefit consisting in a payment in respect of a scholarship—
 - (a) provided from a trust fund or under a scheme; and
 - (b) held by a person receiving full-time instruction at a university, college, school or other educational establishment;if, in the year in which the payment is made, not more than 25 per cent, of the total amount of the payments made from that fund, or under that scheme, in respect of scholarships so held would (apart from this subsection) represent benefits chargeable to tax under section 61 above.
 - (4) In this section "scholarship" includes an exhibition, bursary or other similar educational endowment ; and section 533 of the Taxes Act (connected persons) applies for the purposes of this section.”.
- (2) This section has effect in relation to payments made on or after 15th March 1983, but does not apply in relation to any payment made at a time when the conditions mentioned in subsection (3) below are satisfied.
 - (3) The conditions are that—
 - (a) the scholarship was awarded before 15th March 1983 ;
 - (b) the first payment in respect of the scholarship is made before 6th April 1984 ; and
 - (c) the person holding the scholarship is receiving full-time instruction at the university, college, school or other educational establishment at which he was receiving that instruction at the time when the first such payment was made.
 - (4) For the purpose of ascertaining, in accordance with subsection (3) of the section inserted by subsection (1) above, the percentage of the total amount of the payments made in any year of assessment beginning after 5th April 1982 in respect of scholarships from any fund or under any scheme which (apart from subsection (3)) would represent benefits chargeable to tax under section 61 of the Act of 1976, this section shall be deemed to have had effect in relation to all such payments made in that year.

21 Living accommodation provided for employee

- (1) The following section shall be inserted in the Finance Act 1977, after section 33—

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“33A Living accommodation provided for employee: additional charge.

- (1) This section applies where—
 - (a) living accommodation is provided for a person in any period, by reason of his employment ;
 - (b) by virtue of section 33 above he is treated for Schedule E purposes as being in receipt of emoluments of an amount calculated by reference to the value to him of that accommodation, or would be so treated if there were disregarded any sum made good by him to those at whose cost the accommodation is provided; and
 - (c) the cost of providing the accommodation exceeds £75,000.
- (2) Where this section applies, the employee shall be treated for Schedule E purposes as being in receipt of emoluments (in addition to those which he is treated as receiving by virtue of section 33) of an amount equal to the additional value to him of the accommodation for the period, less so much of any rent paid by the employee, in respect of the accommodation, to the person providing it as exceeds the value to the employee of the accommodation for the period (as determined under section 33).
- (3) The additional value of the accommodation to the employee in any period is the rent which would have been payable for that period if the premises had been let to him at an annual rent equal to the appropriate percentage of the amount by which the cost of providing the accommodation exceeds £75,000.
- (4) For the purposes of this section, the cost of providing any living accommodation shall be taken to be title aggregate of—
 - (a) the amount of any expenditure incurred in acquiring the estate or interest in the property held by any relevant person; and
 - (b) the amount of any expenditure incurred by any relevant person before the year of assessment in question on improvements to the property.
- (5) The aggregate amount mentioned in subsection (4) above shall be reduced by the amount of any payment made by the employee to any relevant person, so far as that amount represents a reimbursement of any such expenditure as is mentioned in paragraph (a) or (b) of that subsection or represents consideration for the grant to the employee of a tenancy of the property.
- (6) Subject to subsection (8) below, where throughout the period of six years ending with the date when the employee first occupied the property, any estate or interest in the property was held by any relevant person (whether or not it was the same estate, interest or person throughout), the additional value shall be calculated as if in subsection (4) above
 - (a) the amount referred to in paragraph (a) were the market value of the property as at that date; and
 - (b) the amount referred to in paragraph (b) did not include expenditure on improvements made before that date.
- (7) " Relevant person " means any of the following—
 - (a) the person providing the accommodation;
 - (b) where the person providing the accommodation is not the employee's employer, that employer; and

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- (c) any person, other than the employee, who is connected with a person falling within paragraph (a) or (b) above.
 - (8) Subsection (6) above does not apply where the employee first occupied the property before 31st March 1983.
 - (9) Any amount which is deductible, by virtue of subsection (3) of section 33, from an amount to be treated as emoluments under that section may, to the extent to which it exceeds the amount of those emoluments, be deductible from the amount to be treated as emoluments under this section.
 - (10) For the purposes of this section, living accommodation shall be treated as provided for a person by reason of his employment if it is so treated for the purposes of section 33 ; and in this section " employment " has the same meaning as in that section.
 - (11) In this section—
 - " the appropriate percentage " means the rate prescribed by the Treasury under section 66(9) of the Finance Act 1976 (beneficial loan arrangements etc.) as at the beginning of the year of assessment in question;
 - " property ", in relation to any living accommodation, means the property consisting of that accommodation;
 - " market value ", in relation to any property, means the price which that property might reasonably be expected to fetch on a sale in the open market with vacant possession, no reduction being made, in estimating the market value, on account of any option in respect of the property held by the employee, or a person connected with him, or by any of the persons mentioned in subsection (7) above; and
 - " tenancy " includes a sub-tenancy.
 - (12) Section 533 of the Taxes Act (connected persons) shall apply for the purposes of this section.”.
- (2) This section has effect for the year 1984-85 and for subsequent years of assessment.

22 Benefits derived by directors: Schedule E payments

- (1) The following section shall be inserted in Chapter II of Part III of the Finance Act 1976 (benefits derived by company directors and others from their employment), after section 66—

“66A Schedule E: director's tax paid by employer.

- (1) Subject to the provisions of this Chapter, where in any year a person (the " recipient") is employed as a director of a company and—
- (a) a payment of, or on account of, income assessable to income tax under Schedule E as emoluments of that employment is made to him in circumstances in which the person making the payment is required, by regulations made under section 204 of the Taxes Act (pay as you earn), to deduct an amount of income tax on making the payment ; and
 - (b) the whole of that amount is not so deducted but is, or any part of it is, accounted for to the Board by someone other than the recipient;

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the amount so accounted for to the Board, less so much (if any) as is made good by the recipient to that other person or so deducted, shall be treated as emoluments of the employment and accordingly chargeable to income tax under Schedule E.

- (2) A person shall not be treated, for the purposes of subsection (1) above, as employed as a director of a company if he has no material interest in the company and either paragraph (a) or paragraph (b) of section 69(5) of this Act is satisfied.
- (3) Where an amount treated as emoluments of a person's employment, by subsection (1) above, is accounted for to the Board at a time when the employment has come to an end, those emoluments shall be treated, for the purposes of the Income Tax Acts, as having arisen in the year of assessment in which the employment ended; but that subsection shall not apply in relation to any amount accounted for to the Board after the death of the director in question.”

(2) This section has effect in relation to amounts accounted for on or after 6th April 1983.

23 Covenanted payments to charity: increase of exemption from excess tax liability

- (1) In section 457 of the Taxes Act, in subsection (1A) (covenanted payments to charity: first £3,000 exempt from excess liability) for " £3,000 " there shall be substituted " £5,000 " .
- (2) In Schedule 16 to the Finance Act 1972 (close companies: apportionment of income) in paragraph 5, in sub-paragraph (5A) (total income reduced by amount of covenanted payments to charities, subject to the £3,000 limit) for "£3,000" there shall be substituted " £5,000 " .
- (3) This section has effect for the year 1983-84 and subsequent years of assessment in relation to payments made after 5th April 1983.

24 Relief for interest: money borrowed for investment in employee-controlled company

- (1) In Part III of Schedule 1 to the Finance Act 1974 (interest eligible for relief), the following shall be inserted after paragraph 10B—

“Loan applied in investing in employee-controlled company

10C Subject to the following provisions of this Part of this Schedule, interest is eligible for relief under section 75 of the Finance Act 1972 if it is interest on a loan to an individual to defray money applied—

- (a) in acquiring any part of the ordinary share capital of an employee-controlled company; or
- (b) in paying off another loan, interest on which would have been eligible for relief under section 75 of the Act of 1972 had the loan not been paid off (on the assumption, if the loan was free of interest, that it carried interest);

and the conditions stated in paragraph 10D below are satisfied.

10D (1) The conditions referred to in paragraph 10C above are that—

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- (a) the company is, throughout the period beginning with the date on which the shares are acquired and ending with the date on which the interest is paid.—
 - (i) an unquoted company resident in the United Kingdom and not resident elsewhere ; and
 - (ii) a trading company or the holding company of a trading group ;
 - (b) the shares are acquired before, or not later than twelve months after, the date on which the company first becomes an employee-controlled company ;
 - (c) during the year of assessment in which the interest is paid the company either—
 - (i) first becomes an employee-controlled company ; or
 - (ii) is such a company throughout a period of at least nine months ;
 - (d) the individual or his spouse is a full-time employee of the company throughout the period beginning with the date on which the proceeds of the loan are applied and ending with the date on which the interest is paid or, if at that date he has ceased to be such an employee, ending with whichever is the later of—
 - (i) the date on which he ceased to be such an employee;
 - (ii) the date twelve months before the payment of the interest;and
 - (e) the individual shows that in the period from the application of the proceeds of the loan to the payment of the interest he has not recovered any capital from the company, apart from any amount taken into account under paragraph 13 below.
- (2) For the purposes of paragraph IOC above and this paragraph, a company is employee-controlled at any time when at least 75 per cent.—
- (a) of the issued ordinary share capital of the company ; and
 - (b) of the voting power in the company ;
- is beneficially owned by persons who, or whose spouses, are full-time employees of the company.
- (3) Where an individual owns beneficially, or he and his spouse together own beneficially, more than 5 per cent, of the issued ordinary share capital of, or voting power in, a company, the excess shall be treated for the purposes of sub-paragraph (2) above as being owned by an individual who is neither a full-time employee of the company nor the spouse of such an employee.
- (4) In this paragraph—
- " full-time employee ", in relation to a company, means a person who works for the greater part of his time as an employee or director of the company or of a 51 per cent, subsidiary of the company;
 - " 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;

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" 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; and

" unquoted company " means a company none of whose shares are listed in the Official List of the Stock Exchange."

- (2) Paragraphs 13 to 15 of Part III of Schedule 1 to the Act of 1974 shall be amended as follows—
- (a) in paragraphs 13 and 14, after the words "cooperative", wherever they occur, there shall be inserted the words " employee-controlled company " ; and
 - (b) in paragraph 15, after " 10B " there shall be inserted " 10D " and after " 10A(c) " there shall be inserted " 10C(b) " .
- (3) This section has effect in relation to interest paid after 5th April 1983.

25 Profit sharing schemes

- (1) In Chapter III of Part III of the Finance Act 1978 (approved profit sharing schemes) for the sum of money specified in section 58(1), section 58(2) and paragraph 1(4) of Schedule 9 (each of which relates to the limit on the initial market value of shares in any year) there shall be substituted the words " the relevant amount " ; and in section 61(1) of that Act (interpretation) after the definition of " the release date " there shall be inserted—

"the relevant amount', in relation to a participant, means an amount which is not less than £1,250 and not more than £5,000 but which, subject to that, is 10 per cent, of his salary (determined under subsection (4) below) for the year of assessment in question or the preceding year of assessment, whichever is the greater".

- (2) At the end of section 61 of the Finance Act 1978 (interpretation) there shall be inserted the following subsection: —

“(4) For the purposes of subsection (1) above, a participant's salary for a year of assessment means such of the emoluments of the office or employment by virtue of which he is entitled to participate in the scheme as are liable to be paid in that year under deduction of tax pursuant to section 204 of the Taxes Act (pay as you earn) after deducting therefrom amounts included by virtue of Chapter II of Part III of the Finance Act 1976 (benefits derived by directors and others from their employment).”

- (3) As respects subsections (1) and (2) of section 58 of the Finance Act 1978, the amendments effected by subsections (1) and (2) above apply in relation to shares appropriated on or after 6th April 1983 and, as respects paragraph 1(4) of Schedule 9 to that Act, those amendments shall be deemed to have come into force on that date.
- (4) In paragraph 2 of Schedule 9 to the Finance Act 1978 (matters as to which the Board must be satisfied for approval of schemes)—
- (a) at the end of sub-paragraph (1) there shall be added the words " and that those who do participate in the scheme actually do so on similar terms " ; and

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- (b) at the end of sub-paragraph (2) there shall be added the words " or do not actually do so " .
- (5) At the end of the said paragraph 2 there shall be inserted the following sub-paragraphs: —
- “(3) The Board must also be satisfied—
- (a) that there are no features of the scheme which have or would have the effect of discouraging any description of employees or former employees who fulfil the conditions in sub-paragraph (1) above from actually participating in the scheme (subject to Part III below); and
- (b) where the company concerned is a member of a group of companies, that the scheme does not and would not have the effect of conferring benefits wholly or mainly on directors of companies in the group or on those employees of companies in the group who are in receipt of the higher or highest levels of remuneration.
- (4) For the purposes of sub-paragraph (3) above a group of companies means a company and any other companies of which it has control.”
- (6) In paragraph 3(1) of Schedule 9 to the Finance Act 1978 (grounds for withdrawing approval) at the end of paragraph (d) there shall be added “or
- (e) the trustees, the company concerned or, in the case of a group scheme, a company which is or has been a participating company fail or fails to furnish any information which they are or it is required to furnish pursuant to section 53(7) of this Act”.

26 Relief for investment in corporate trades

- (1) Part I of Schedule 5 to this Act shall have effect, in relation to shares issued in the year of assessment 1983-84 or in any of the next three years of assessment, for the purpose of making provision with respect to relief from income tax for investment in corporate trades, in place of that made by Chapter II of Part IV of the Finance Act 1981.
- (2) The provisions of Chapter II of Part IV of the Act of 1981 (relief for investment in new corporate trades) shall continue to have effect in relation to shares issued in the years of assessment 1981-82 and 1982-83, but subject to the amendments set out in Part II of Schedule 5 to this Act.
- (3) The Table in section 98 of the Taxes Management Act 1970 (penalties) shall be amended as follows—
- (a) at the end of the first column there shall be inserted—
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- “Paragraph 15(3) and (4) of Schedule 5 to the Finance Act 1983.”; and
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- (b) at the end of the second column there shall be inserted—
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- “Paragraph 15(1) and (2) of Schedule 5 to the Finance Act 1983.”
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27 Public lending right

The following enactments shall have effect in relation to public lending right as they have effect in relation to copyright—

- (a) section 16 of the Taxes Management Act 1970 (returns of periodical or lump sum payments);
- (b) sections 143 (3)(b) (charge on receipts after discontinuance of trade, etc. not to apply to lump sum paid to personal representatives for assignment), 389 and 390 (reliefs), 391 (taxation of royalties where owner's usual place of abode is abroad), and 521 (under-deductions from payments) of the Taxes Act.

28 Employees seconded to charities

- (1) If a company makes available to a charity, on a basis which is expressed and intended to be of a temporary nature, the services of a person in the employment of the company then, notwithstanding anything in—

- (a) section 130 of the Taxes Act (general rules as to deductions not allowable in computing profits or gains), or
- (b) section 304 of that Act (expenses of management of investment companies etc.),

any expenditure incurred (or disbursed) by the company which is attributable to the employment of that person shall continue to be deductible in the manner and to the like extent as if, during the time that his services are so made available to the charity, they continued to be available for the purpose of the company's trade or business.

- (2) In subsection (1) above—

" charity " has the same meaning as in section 360 of the Taxes Act; and

" deductible " means deductible as an expense in computing the profits or gains of the company concerned to be charged under Case I of Schedule D or, as the case may be, deductible as expenses of management for the purposes of section 304 of the Taxes Act.

- (3) This section applies to expenditure attributable to the employment of a person on or after 1st April 1983.

29 Building societies: interest to be payable gross on certificates of deposit

- (1) In paragraph (iii) of the proviso to subsection (3) of section 343 of the Taxes Act (arrangements for payment of income tax on interest etc. paid by building societies) after the word " loan " there shall be inserted the words " or under a qualifying certificate of deposit " .

- (2) After subsection (8) of that section there shall be inserted the following subsection—

“(8A) In subsection (3) above " qualifying certificate of deposit " means a certificate of deposit, as defined in section 55(3) of the Finance Act 1968, which is issued by a building society and under which—

- (a) the amount payable by the society, exclusive of interest, is not less than £50,000 ; and
- (b) the obligation of the society to pay that amount arises before the expiry of the period of twelve months beginning on the date of issue of the certificate.”

(3) This section has effect in relation to documents issued after 5th April 1983.