



Finance (No.2) Act 1987

CHAPTER 51

FINANCE (NO.2) ACT 1987

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INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

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Status: This is the original version (as it was originally enacted).

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Status: This is the original version (as it was originally enacted).

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PART III

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SCHEDULES

SCHEDULE 1 — Profit-Related Pay Schemes: Conditions for Registration

Form.

- 1 The terms of the scheme must be set out in...

Employer and employment unit.

- 2 The scheme must identify the scheme employer.
- 3 If the scheme employer does not pay the emoluments of...
- 4 (1) The scheme must identify the undertaking to which the...

Employees.

- 5 The scheme must contain provisions by reference to which the...
- 6 The scheme must contain provisions ensuring that no payments are...
- 7 (1) The scheme must contain provisions ensuring that no payments...
- 8 (1) The persons within this paragraph are any of the...

Profit periods.

- 9 The scheme must identify the accounting period or periods by...
- 10 (1) Subject to sub-paragraphs (2) and (3) below, any such...

Distributable pool.

- 11 The scheme must contain provisions by reference to which the...
- 12 Except where the scheme is a replacement scheme (within the...
- 13 (1) Method A is that the distributable pool is equal...
- 14 (1) Method B is that the distributable pool is—
- 15 If the scheme is a replacement scheme (within the meaning...

Payments from distributable pool, etc.

- 16 The scheme must provide for the whole of the distributable...
- 17 The scheme must make provision as to when payments will...
- 18 (1) The provisions of the scheme must be such that...

Ascertainment of profits.

- 19 (1) The scheme must provide for the preparation of a...
- 20 (1) The scheme must provide that, in preparing a profit...

SCHEDULE 2 — Personal Pension Schemes Etc.

- 1 In section 226(13) of the Taxes Act, after “means” there...
- 2 (1) In section 332(2) of the Taxes Act (exceptions to...
- 3 In section 14(1) of the Finance Act 1973 (lump sum...
- 4 (1) In section 26 of the Finance Act 1978 (open...
- 5 In section 45(2) of the Finance Act 1984, after paragraph...

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6 In paragraph 1 of Schedule 11 to the Finance Act...

SCHEDULE 3 — Occupational Pension Schemes

PART I — AMENDMENTS OF FINANCE ACT 1970 ETC.

The Finance Act 1970.

- 1 (1) In subsection (2A) of section 19 of the Finance...
- 2 (1) In subsection (3) of section 19 (withdrawal of approval)...
- 3 (1) Section 20 (discretionary approval) shall be amended as follows....
- 4 (1) In subsection (4) of section 21 (tax relief for...
- 5 After subsection (7) of section 21 there shall be inserted—...
- 6 (1) In subsection (2) of section 22 (tax relief for...
- 7 (1) Section 26 (1) shall be amended as follows.
- 8 In section 26(2), after the words “the employer” there shall...
- 9 (1) In Schedule 5 to the Finance Act 1970, in...
- 10 In paragraph 3 of that Schedule, at the end there...
- 11 In paragraph 6 (which shall become paragraph 6(1)) of that...
- 12 After paragraph 6 of that Schedule there shall be inserted—...
- 13 In paragraph 7 (which shall become paragraph 7(1)) of that...
- 14 In paragraph 8(2)(a) of that Schedule, after the words “such...
- 15 In paragraph 9 of that Schedule, after sub-paragraph (1) there...

The Taxes Act.

- 16 In section 323(4) of the Taxes Act (insurance companies:
interpretation...

The Taxes Management Act 1970.

- 17 In both columns in the Table in section 98 of...
- PART II — SCHEMES APPROVED BEFORE THE PASSING OF THIS ACT

Preliminary.

- 18 (1) This Part of this Schedule shall be deemed to...

Accelerated accrual.

- 19 (1) This paragraph applies where an employee becomes a member...
- 20 (1) This paragraph applies where an employee becomes a member...
- 21 (1) This paragraph applies where an employee becomes a member...

Final remuneration.

- 22 (1) This paragraph applies where an employee who is a...

Lump sums.

- 23 (1) This paragraph applies where an employee becomes a member...

Additional voluntary contributions.

- 24 (1) This paragraph applies where— (a) the rules of the...
- 25 (1) This paragraph applies where an employee who is a...

Supplementary.

26 (1) In this Part of this Schedule “relevant annual remuneration”...

SCHEDULE 4 — Dual Resident Investing Companies

PART I — DIVISION OF ACCOUNTING PERIODS COVERING 1ST APRIL 1987.

- 1 (1) This Part of this Schedule has effect in the...
2 Subject to paragraph 5 below, for the purposes referred to...
3 If, in the straddling period of a dual resident investing...

PART II — EARLY PAYMENTS OF INTEREST ETC AND CHARGES ON INCOME

Interpretation.

4 In this Part of this Schedule— (a) “the principal section”...

Early payment of interest etc.

5 (1) If the conditions in sub-paragraph (2) or sub-paragraph (3)...

Early payment of charges on income.

6 (1) If, in the case of a dual resident investing...

Appeals.

7 Notice of the giving of a direction under paragraph 5...

General.

8 The preceding provisions of this Schedule have effect in priority...

SCHEDULE 5 — Companies' Chargeable Gains: Transitional Provisions

PART I — GENERAL RULES

Interpretation.

1 In this Part of this Schedule— (a) a “straddling period”...

Chargeable gains comprised in profits.

2 (1) It shall be assumed for the purposes of this...

Advance corporation tax and liability of small companies.

3 (1) This paragraph has effect to determine for the purposes...

Other references to the income of a company charged to corporation tax.

4 For the straddling period, any reference in any enactment, other...

PART II — SPECIAL CASES

Interpretation.

5 In this Part of this Schedule “straddling period” has the...

Life assurance companies.

6 (1) Subject to the following provisions of this paragraph, where...

7 (1) For a straddling period of an insurance company carrying...

Companies carrying on oil extraction activities etc.

- 8 (1) Subject to the following provisions of this paragraph, a...

SCHEDULE 6 — Management Provisions: Supplementary and Consequential Provisions

Companies' capital gains.

- 1 (1) With respect to chargeable gains accruing in accounting periods...
 2 With respect to chargeable gains accruing in accounting periods ending...
 3 (1) With respect to chargeable gains accruing in accounting periods...
 4 (1) Section 278 of the Taxes Act (company ceasing to...
 5 (1) With respect to chargeable gains accruing in chargeable periods...

Relief for unremittable income.

- 6 (1) Section 418 of the Taxes Act (relief for unremittable...

Charges on non-residents.

- 7 With respect to tax in respect of accounting periods ending...

Lloyd's underwriting agents.

- 8 (1) The Treasury may by regulations made by statutory instrument...

SCHEDULE 7 — Inheritance Tax: Interests in Possession

- 1 After section 54 of the Inheritance Tax Act 1984 (in...
 2 In section 56 of the 1984 Act (exclusion of certain...
 3 (1) Section 201 of the 1984 Act (liability for tax...
 4 (1) Section 216 of the 1984 Act (delivery of accounts)...
 5 In section 265 of the 1984 Act (chargeable transfers affecting...

SCHEDULE 8 — Amendments of Schedule 10 to Finance Act 1987

- 1 At the end of paragraph 1 (interpretation) there shall be...
 2 (1) In paragraph 5 (content of nomination) in sub-paragraph (1)(b)—...
 3 (1) In paragraph 8 (revision of nominations) after sub-paragraph (2)...
 4 In paragraph 9 (effective volume for nominated transactions) for sub-paragraph...
 5 (1) In paragraph 11 (which defines the aggregate nominated proceeds...
 6 In paragraph 12 (nominations of blended oil by a participator...

SCHEDULE 9 — Repeals

- PART I — INCOME TAX AND CORPORATION TAX: GENERAL
 PART II — CAPITAL GAINS
 PART III — INHERITANCE TAX
 PART IV — STAMP DUTY RESERVE TAX
 PART V — OIL TAXATION