



# Finance (No.2) Act 1987

## 1987 CHAPTER 51

### PART I

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

### CHAPTER III

#### GENERAL

#### *Miscellaneous*

#### **69 Disclosure of employment information obtained from Inland Revenue.**

- (1) Section 58 of the Finance Act 1969 (disclosure of information for statistical purposes by Board of Inland Revenue) shall be amended in accordance with this section.
- (2) At the end of subsection (4) (cases in which information obtained under the section may be disclosed by officers of the Department of Employment or Manpower Services Commission to other persons) there shall be added “or
  - (c) to an authorised officer of any body specified in the first column of the following Table for the purposes of functions of that body under any enactment specified in relation to it in the second column of the Table.

TABLE

<i>Body</i>	<i>Enactment</i>
A local education authority in England and Wales.	Section 8 of the Employment and Training Act 1973.
An education authority in Scotland.	Section 126 of the Education (Scotland) Act 1980.

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<i>Body</i>	<i>Enactment</i>
The Northern Ireland Training Authority.	The Industrial Training (Northern Ireland) Order 1984.
A local planning authority within the meaning of the Town and Country Planning Act 1971 and any board which exercises for any area the functions of such an authority.	Part II of the Town and Country Planning Act 1971.
A planning authority as defined in section 172(3) of the Local Government (Scotland) Act 1973.	Town and Country Planning (Scotland) Act 1972.
The Welsh Development Agency.	The Welsh Development Agency Act 1975.
The Scottish Development Agency.	The Scottish Development Agency Act 1975.
The Development Board for Rural Wales.	The Development of Rural Wales Act 1976.
The Highlands and Islands Development Board.	The Highlands and Islands Development (Scotland) Acts 1965 and 1968.
A development corporation within the meaning of the New Towns Act 1981.	Section 4 of the New Towns Act 1981.
A development corporation within the meaning of the New Towns (Scotland) Act 1968.	Section 3 of the New Towns (Scotland) Act 1968.
A new town commission within the meaning of the New Towns Act (Northern Ireland) 1965.	Section 7 of the New Towns Act (Northern Ireland) 1965.”

(3) In subsection (6) for the words “or paragraph (b) of subsection (4)” there shall be substituted “paragraph (b) or paragraph (c) of subsection (4) above”.

## 70 **Lloyd’s underwriters.**

- (1) This section applies where, in accordance with the rules or practice of Lloyd’s and in consideration of the payment of a premium, one underwriter agrees with another to meet liabilities arising from the latter’s business for an underwriting year so that the accounts of the business for that year may be closed.
- (2) In computing for the purposes of income tax the profits or gains of his business, the amount of the premium shall be deductible as an expense of the underwriter by whom it is payable only to the extent that it is shown not to exceed a fair and reasonable assessment of the value of the liabilities in respect of which it is payable.
- (3) Any part of a premium which, by virtue of subsection (2) above, is not deductible as an expense of the underwriter by whom it is payable shall be disregarded in computing

for the purposes of income tax the profits or gains of the business of the underwriter to whom it is payable.

- (4) The assessment referred to in subsection (2) above shall be taken to be fair and reasonable only if it is arrived at with a view to producing the result that a profit does not accrue to the underwriter to whom the premium is payable but he does not suffer a loss.
- (5) In this section “underwriter” means an underwriting member of Lloyd’s, and expressions used in Schedule 10 to the Taxes Act have the same meanings as in that Schedule.
- (6) This section has effect in relation to premiums payable in connection with the closing of the accounts of an underwriter’s business for an underwriting year ending in the year of assessment 1985-86 or any later year of assessment.

**71 Relief for losses on unquoted shares in trading companies.1980 c. 48.**

Section 37 of the Finance Act 1980 (relief for losses on unquoted shares in trading companies) shall have effect, and be deemed always to have had effect, with the addition, at the end of the definition of “excluded company” in subsection (12), of the words “or

- (c) which is a building society, within the meaning of the Building Societies Act 1986, or a registered industrial and provident society, as defined in section 340 of the Taxes Act”.

**72 Allowances for dwelling-houses let on assured tenancies.**

- (1) In section 76 of the Finance Act 1982 (capital allowances for dwelling-houses let on assured tenancies) in subsection (2) (provisions to have effect only where expenditure is incurred before 1st April 1987) for “1987” there shall be substituted “1992”.
- (2) In any case where—
  - (a) by reason only of the enactment (by the Housing and Planning Act 1986) of section 56B of the Housing Act 1980 (extension of assured tenancies scheme to cases where works have been carried out) an approved body is entitled to an initial allowance in respect of any expenditure under Schedule 12 to the Finance Act 1982 (capital allowances for dwelling-houses let on assured tenancies); and
  - (b) effect has not been and, apart from this subsection, no longer can be given to the initial allowance referred to in paragraph (a) above,then, if a claim is made in that behalf before 1st April 1988, all such adjustments shall be made as may be necessary to give effect to that initial allowance.
- (3) Expressions used in subsection (2) above have the same meaning as in Schedule 12 to the Finance Act 1982.

**73 Recognised investment exchanges.**

- (1) The Board may by regulations make provision securing that enactments relating to income tax, corporation tax or capital gains tax and referring to The Stock Exchange have effect, for such purposes and subject to such modifications as may be prescribed by the regulations, in relation to all other recognised investment exchanges (within the

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meaning of the Financial Services Act 1986), or in relation to such of those exchanges as may be so prescribed.

- (2) The power to make regulations under this section shall be exercisable by statutory instrument, which shall be subject to annulment in pursuance of a resolution of the House of Commons.