



Finance (No.2) Act 1987

1987 CHAPTER 51

PART III

MISCELLANEOUS AND SUPPLEMENTARY

99 Stamp duty: options, etc.

- (1) In section 50 of the Finance Act 1987 (stamp duty exemption for options to acquire, and other interests in, exempt securities), in subsection (1), after the word “acquire” there shall be inserted the words “or to dispose of”.
- (2) In subsection (30 of that section, after the words “the Finance Act (Northern Ireland) 1967” (in both places) there shall be inserted the words “or section 79(2) of the Finance Act 1986”.

100 Stamp duty Reserve tax.

- (1) The Finance Act 1986 shall have effect in relation to agreements to transfer securities made on or after 8th May 1987 with the insertion of the following section after section 89—

“89A Sections 87: exceptions for public issues.

- (1) Section 87 above shall not apply as regards an agreement to transfer securities other than units under a unit trust scheme to B or B’s nominee if—
 - (a) the agreement is part of an arrangement, entered into by B in the ordinary course of B’s business as an issuing house, under which B (as principal) is to offer the securities for sale to the public,
 - (b) the agreement is conditional upon the admission of the securities to the Official List of The Stock Exchange,
 - (c) the consideration under the agreement for each security is the same as the price at which B is to offer the security for sale, and

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- (b) B sells the securities in accordance with the arrangement referred to in paragraph (a) above.
- (2) Section 87 above shall not apply as regards an agreement if the securities to which the agreement relates are newly subscribed securities other than units under a unit trust scheme and—
- (a) the agreement is made in pursuance of an offer to the public made by A (as principal) under an arrangement entered into in the ordinary course of A's business as an issuing house,
 - (b) a right of allotment in respect of, or to subscribe for, the securities has been acquired by A under an agreement which is part of the arrangement,
 - (c) both those agreements are conditional upon the admission of the securities to the Official List of The Stock Exchange, and
 - (d) the consideration for each security is the same under both agreements; and for the purposes of this subsection, "newly subscribed securities" are securities which, in pursuance of the arrangement referred to in paragraph (a) above, are issued wholly for new consideration.
- (3) Section 87 above shall not apply as regards an agreement if the securities to which the agreement relates are registered securities other than units under a unit trust scheme and—
- (a) the agreement is made in pursuance of an offer to the public made by A,
 - (b) the agreement is conditional upon the admission of the securities to the Official List of The Stock Exchange, and
 - (c) under the agreement A issues to B or his nominee a renounceable letter of acceptance, or similar instrument, in respect of the securities.
- (4) The Treasury may by regulations amend paragraph (b) of subsection (1) above, paragraph (c) of subsection (2) above, and paragraph (b) of subsection (3) above (as they have effect for the time being); and the power to make regulations under this section shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons."
- (2) Section 91 of the Finance Act 1986 (liability to tax) shall have effect, and shall be deemed always to have had effect, with the omission of subsection (2).

101 Oil taxation.

- (1) Schedule 10 to the Finance Act 1987 (nomination scheme for disposals and appropriations of oil) shall have effect subject to the amendments in Schedule 8 to this Act.
- (2) In section 62 of the Finance Act 1987 (market value of oil to be determined on a monthly basis) subsection (6) (meaning of relevant sale of oil in relation to the additional return required by subsection (4) of that section) shall have effect subject to the following modifications—
- (a) after the words "sale of oil", in the second place where they occur, there shall be inserted the words "at arm's length"; and
 - (b) in paragraph (b) after the words "sub-paragraph (3A) thereof" there shall be inserted "or otherwise".

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- (3) Section 63 of the Finance Act 1987 (blends of oil from two or more fields) shall have effect with the omission from subsection (1) of the words from “and in” onwards and with the addition, at the end of that subsection, of the following subsection—

“(1A) In this section—

- (a) “oil field” includes an area which is a foreign field for the purposes of section 12 of the Oil Taxation Act 1983;
- (b) “oil” includes any substance which would be oil if the enactments mentioned in section 1(1) of the principal Act extended to such an area as is referred to in paragraph (a) above;
- (c) “blended oil” means oil which has been mixed as mentioned in subsection (1) above; and
- (d) “the originating fields”, in relation to any blended oil, means the oil fields from which the blended oil is derived.”

- (4) In paragraph 5 of Schedule 2 to the Oil Taxation Act 1975 (returns by the responsible person for an oil field) after sub-paragraph (2A) there shall be inserted the following sub-paragraph—

“(2B) If in any chargeable period oil won from the oil field is mixed as mentioned in section 63 of the Finance Act 1987 so as to give rise to blended oil, within the meaning of that section, then, as respects that chargeable period, for paragraph (a) of sub-paragraph (2) above there shall be substituted the following paragraph—

“(a) state the total of the shares of the participators in the oil field of the oil won from the field during the period less so much of the oil won from the field as is not saved”.”

- (5) Subsections (2) to (4) above have effect with respect to chargeable periods ending after 1st January 1987 and, subject to subsection (6) below, Schedule 8 to this Act has effect with respect to calendar months in chargeable periods beginning with March 1987.
- (6) Paragraph 5 of Schedule 8 to this Act has effect with respect to chargeable periods ending after such date as the Treasury may by order made by statutory instrument appoint; but no order shall be made under this subsection unless a draft of it has been laid before and approved by a resolution of the House of Commons.

102 Government fees and charges.

- (1) This section applies where a Minister of the Crown or any other person has power under any enactment (whenever passed) to require the payment of, or to determine by subordinate legislation the amount of, any fee or charge (however described) which is payable to the Minister or to any other person who is required to pay the fee or charge into the Consolidated Fund (whether the obligation is so expressed or is expressed as a requirement to make the payment into the Exchequer).
- (2) In the following provisions of this section, a power falling within subsection (1) above is referred to as a “power to fix a fee” and, in relation to such a power,—
- (a) “fee” includes charge;
 - (b) “the appropriate authority” means, if the power is exercisable by a Minister of the Crown or any Commissioners, that Minister or those Commissioners and, in any other case, such Minister of the Crown as the Treasury may determine; and

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- (c) “the recipient” means the Minister or other person to whom the fee is payable.
- (3) In relation to any power to fix a fee, the appropriate authority or any Minister of the Crown with the consent of the appropriate authority may, by order made by statutory instrument, specify functions, whether of the recipient or any other person and whether arising under any enactment, by virtue of any Community obligation or otherwise, the costs of which, in addition to any other matters already required to be taken into account, are to be taken into account in determining the amount of the fee.
- (4) In relation to any functions the costs of which fall to be taken into account on the exercise of any power to fix a fee (whether by virtue of subsection (3) above or otherwise), the appropriate authority or any Minister of the Crown with the consent of the appropriate authority may, by order made by statutory instrument, specify matters which, in addition to any matters already required to be taken into account, are to be taken into account in determining those costs, and, without prejudice to the generality of the power conferred by this subsection, those matters may include deficits incurred before as well as after the exercise of that power, a requirement to secure a return on an amount of capital and depreciation of assets.
- (5) No order shall be made under subsection (3) or subsection (4) above unless a draft of the order has been laid before, and approved by a resolution of, the House of Commons.
- (6) An order under subsection (3) or subsection (4) above has effect in relation to any exercise of the power to fix the fee concerned after the making of the order; but no earlier exercise of that power shall be regarded as having been invalid if, had the order been made before that exercise of the power, the exercise would have been validated by the order.
- (7) In this section—
- (a) “Minister of the Crown” has the same meaning as in the Ministers of the Crown Act 1975;
 - (b) “Commissioners” means the Commissioners of Customs and Excise or the Commissioners of Inland Revenue;
 - (c) “enactment” does not include Northern Ireland legislation, as defined in section 24(5) of the Interpretation Act 1978; and
 - (d) subject to paragraph (c) above, “subordinate legislation” has the same meaning as in the Interpretation Act 1978.
- (8) An Order in Council under paragraph 1(1)(b) of Schedule 1 to the Northern Ireland Act 1974 (legislation for Northern Ireland in the interim period) which states that it is made only for purposes corresponding to those of this section—
- (a) shall not be subject to sub-paragraphs (4) and (5) of paragraph 1 of that Schedule (affirmative resolution of both Houses of Parliament); but
 - (b) shall be subject to annulment in pursuance of a resolution of either House.

103 Consumption in port of goods transhipped for use as stores, etc.

- (1) Subject to subsection (2) below and to any directions given by the Commissioners under section 61 of the Customs and Excise Management Act 1979, goods transhipped for use as stores on a ship which is not less than 40 tons register and which is to make a voyage to a country outside the United Kingdom may be used while the ship is in port without payment of duty.

- (2) Subsection (1) above does not apply to—
- (a) dutiable alcoholic liquor other than beer and cider; or
 - (b) tobacco products;
- and the reference in subsection (1) above to a country outside the United Kingdom does not include a reference to the Isle of Man.
- (3) In section 1(1) of the Customs and Excise Management Act 1979, at the end of the definition of “transit or transhipment” there shall be added “or transhipment of those goods for use as stores”.
- (4) In subsection (1) of section 61 of that Act, after paragraph (a) there shall be added—
- “(aa) as to the descriptions of vessel on which goods carried as stores may be used in port without payment of duty in accordance with section 103(1) of the Finance (No. 2) Act 1987;
 - (ab) as to the quantity of any goods which may be carried as stores for use in port as mentioned in paragraph (aa) above and as to the time within which such goods or any specified quantities of them may be so used; and”;
- and in paragraph (b) of that subsection after the words “paragraph (a)” there shall be inserted “or paragraph (aa)”.
- (5) In subsection (5) of the said section 61 after the words “United Kingdom”, in the first place where they occur, there shall be inserted “or for use in port without payment of duty”.
- (6) Subsections (1) and (2) above shall be construed as one with the Customs and Excise Management Act 1979.
- (7) Notwithstanding the generality of section 24 of the Value Added Tax Act 1983 (application of customs and excise enactments in relation to value added tax), subsections (1) and (2) above are excluded from the enactments to which that section applies.

104 Short title, interpretation, construction and repeals.

- (1) This Act may be cited as the Finance (No. 2) Act 1987.
- (2) In this Act “the Taxes Act” means the Income and Corporation Taxes Act 1970.
- (3) Part I of this Act, so far as it relates to income tax, shall be construed as one with the Income Tax Acts, so far as it relates to corporation tax, shall be construed as one with the Corporation Tax Acts and, so far as it relates to capital gains tax, shall be construed as one with the Capital Gains Tax Act 1979.
- (4) The enactments specified in Schedule 9 to this Act (which include enactments which are spent or otherwise unnecessary) are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.