



British Steel Act 1988

1988 CHAPTER 35

Supplementary provisions

11 Corporation tax

- (1) Subject to subsection (2), the successor company shall be treated for all purposes of corporation tax as if it were the same person as the Corporation.
- (2) The successor company shall not by virtue of subsection (1) be regarded as a body falling within section 272(5) of the Income and Corporation Taxes Act 1970 (bodies established for carrying on industries or undertakings under national ownership or control).
- (3) Section 400(1) of the Income and Corporation Taxes Act 1988 (write-off of government investment : restriction of tax losses) shall not have effect in relation to any reduction in the Corporation's public dividend capital under section 2(1) above or its extinguishment by virtue of section 2(3) above; but instead the Secretary of State may, with the consent of the Treasury, direct that such amount as is specified in the direction shall be set off against the successor company's tax losses as at the end of the accounting period ending last before the date of the direction.
- (4) No direction shall be given by the Secretary of State under subsection (3) above at a time when the successor company has ceased to be wholly owned by the Crown.
- (5) For the purposes of subsection (3) above the successor company's tax losses as at the end of the accounting period there mentioned are those referred to in paragraphs (a) to (e) of subsection (2) of the said section 400; and subsections (3) to (5) of that section shall have effect in relation to any set-off under subsection (3) above as if—
 - (a) any reference to subsection (1) of that section were a reference to subsection (3) above; and
 - (b) the reference in subsection (4) of that section to the write-off date were a reference to the date of the direction under subsection (3) above.
- (6) Subsection (6) of the said section 400 shall apply in relation to any such reduction or extinguishment of the Corporation's public dividend capital as is mentioned in

subsection (3) above as if the reference to the body in question were a reference to the Corporation.

- (7) Where any debentures are issued in pursuance of section 3 above, any annual payment secured by those debentures shall be treated for all purposes of corporation tax as if it were a charge on income of the successor company.
- (8) The vesting in the successor company by virtue of section 1 above of liability for a loan made to the Corporation shall not affect any direction given by the Treasury in respect of the loan under section 416 of the Income and Corporation Taxes Act 1970 (borrowing in foreign currency).
- (9) In this section “accounting period” has the same meaning as in the Income and Corporation Taxes Act 1988.

12 Application of Trustee Investments Act 1961 in relation to investment in the successor company

- (1) For the purpose of applying paragraph 3(b) of Part IV of Schedule 1 to the Trustee Investments Act 1961 (which provides that shares and debentures of a company shall not count as wider-range and narrower-range investments respectively within the meaning of that Act unless the company has paid dividends in each of the five years immediately preceding that in which the investment is made) in relation to investment in shares or debentures of the successor company during the calendar year in which the appointed day falls (“the first investment year”) or during any year following that year, the successor company shall be deemed to have paid a dividend as there mentioned—
 - (a) in any year preceding the first investment year which is included in the relevant five years; and
 - (b) in the first investment year, if that year is included in the relevant five years and the successor company does not in fact pay such a dividend in that year.
- (2) In subsection (1) “the relevant five years” means the five years immediately preceding the year in which the investment in question is made or proposed to be made.

13 Orders

- (1) Any power of the Secretary of State to make an order under this Act shall be exercisable by statutory instrument.
- (2) Any statutory instrument containing an order made by the Secretary of State under section 6 or 16(2) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

14 Administrative expenses

Any administrative expenses incurred by the Secretary of State in consequence of the provisions of this Act shall be paid out of money provided by Parliament.

15 Interpretation

- (1) In this Act—
 - “the 1982 Act” means the Iron and Steel Act 1982;
 - “the appointed day” means the day appointed under section 1(1);

- “the Corporation” means the British Steel Corporation;
- “debenture” includes debenture stock;
- “enactment” includes an enactment comprised in subordinate legislation;
- “financial year”, in relation to the Corporation, means the period prescribed by or under section 23 of the 1982 Act;
- “public dividend capital”, in relation to the Corporation, shall be construed in accordance with section 2(2);
- “securities”, in relation to a company, includes shares, debentures, bonds and other securities of the company, whether or not constituting a charge on the assets of the company;
- “shares” includes stock;
- “subordinate legislation” has the same meaning as in the Interpretation Act 1978;
- “subsidiary” has the same meaning as in the Companies Act 1985;
- “the successor company” means the company nominated for the purposes of section 1;
- “the transitional period” has the meaning given by section 10(1).

- (2) A company shall be regarded for the purposes of this Act as wholly owned by the Crown at any time when each of the issued shares of the company is held by, or by a nominee of, the Treasury or the Secretary of State.

16 Consequential amendments, repeals and transitional provisions

- (1) In the following provisions of the Mineral Workings Act 1985, namely—
- (a) section 4(2) and (6) (arrangements affecting agricultural land), and
 - (b) section 5(1) and (2) (finance for forestry),
- any reference to the Corporation shall be construed, as from the appointed day, as a reference to the successor company.
- (2) The Secretary of State may by order make—
- (a) such consequential modifications of any provision contained in any Act (whether public general or local) passed, or subordinate legislation made, before the appointed day as appear to him to be necessary or expedient in connection with any reference in that Act or subordinate legislation to the Corporation;
 - (b) such transitional or saving provision as appears to him to be necessary or expedient in connection with the coming into force of any provision of this Act;
- and any provision of an order made under this subsection after the appointed day may be made so as to have effect as from that or any later day.
- (3) The enactments mentioned in Schedule 2 to this Act (which include certain spent enactments) are hereby repealed to the extent specified in the third column of that Schedule.
- (4) The transitional provisions and savings contained in Schedule 3 to this Act shall have effect.

17 Short title, commencement and extent

- (1) This Act may be cited as the British Steel Act 1988.
- (2) Sections 2 and 15(1) and this section shall come into force on the day on which this Act is passed.
- (3) The remaining provisions of this Act (except those specified in subsection (4)) shall come into force on the appointed day.
- (4) Part II of Schedule 2, and section 16(3) so far as relating thereto, shall come into force on the dissolution of the Corporation.
- (5) With the exception of the provisions mentioned in subsection (6), this Act does not extend to Northern Ireland.
- (6) Those provisions are—
 - (a) section 1 and Schedule 1;
 - (b) sections 13 and 15;
 - (c) section 16(2);
 - (d) section 16(3) and Schedule 2 so far as they repeal any enactment extending to Northern Ireland;
 - (e) section 16(4) and Schedule 3; and
 - (f) this section.