

Status: Point in time view as at 17/07/2012.

Changes to legislation: Finance Act 1989 is up to date with all changes known to be in force on or before 29 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 1

Section 6.

VEHICLES EXCISE DUTY: RATES

^{F1}PART I

Textual Amendments

F1 Sch. 1 Pt. I repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

PART II ^{F2}

Textual Amendments

F2 S. 6(3)(4), Sch. 1 Pt. II, Sch. 2 para. 3 repealed by Finance Act 1990 (c. 29, SIF 58), s. 132, **Sch. 19 Pt. II** Note 3

SCHEDULE 2

Section 8.

VEHICLES EXCISE DUTY: SPECIAL MACHINES

^{F3}1

Textual Amendments

F3 Sch. 2 paras. 1, 2, 4 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

^{F4}2

Textual Amendments

F4 Sch. 2 paras. 1, 2, 4 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

³F5

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Textual Amendments

F5 S. 6(3)(4), Sch. 1 Pt. II, Sch. 2 para. 3 repealed by Finance Act 1990 (c. 29, SIF 58), s. 132, **Sch. 19 Pt. II** Note 3

F64

Textual Amendments

F6 Sch. 2 paras. 1, 2, 4 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

F7 SCHEDULE 3

Textual Amendments

F7 Sch. 3 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), **Sch. 15**

F8 SCHEDULE 4

Textual Amendments

F8 Sch. 4 repealed (19.3.1997 with effect as mentioned in Sch. 18 Pt. VI(3) notes 1, 2 of the amending Act) by 1997 c. 16, ss. 61(2)(3), 113, **Sch. 18 Pt. VI(3)**

SCHEDULE 5

Section 74.

EMPLOYEE SHARE OWNERSHIP TRUSTS

Modifications etc. (not altering text)

C1 Sch. 5 applied (6.3.1992 with effect as mentioned in s. 289(1)(2) of the applying Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. **228(7)**, 235(8), 289 (with ss. 60, 101(1), 171, 201(3))

Qualifying trusts

1 A trust is a qualifying employee share ownership trust at the time it is established if the conditions set out in paragraphs 2 to 11 below are satisfied in relation to the trust at that time.

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Modifications etc. (not altering text)

- C2** See [Finance Act 1990 \(c. 29\)](#) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts

General

- 2 (1) The trust must be established under a deed (the trust deed).
- (2) The trust must be established by a company (the founding company) which, at the time the trust is established, is resident in the United Kingdom and not controlled by another company.

Modifications etc. (not altering text)

- C3** See [Finance Act 1990 \(c. 29\)](#) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts

Trustees

- 3 (1) The trust deed must provide for the establishment of a body of trustees.
- (2) The trust deed must—
- (a) appoint the initial trustees;
 - (b) contain rules for the retirement and removal of trustees;
 - (c) contain rules for the appointment of replacement and additional trustees.
- (3) The trust deed must provide that at any time while the trust subsists (the relevant time)—
- (a) the number of trustees must not be less than three;
 - (b) all the trustees must be resident in the United Kingdom;
 - (c) the trustees must include one person who is a trust corporation, a solicitor, or a member of such other professional body as the Board may from time to time allow for the purposes of this paragraph;
 - (d) most of the trustees must be persons who are not and have never been directors of any company which falls within the founding company's group at the relevant time;
 - (e) most of the trustees must be persons who are employees of companies which fall within the founding company's group at the relevant time, and who do not have and have never had a material interest in any such company;
 - (f) the trustees falling within paragraph (e) above must, before being appointed as trustees, have been selected by a majority of the employees of the companies falling within the founding company's group at the time of this selection or by persons elected to represent those employees.
- (4) For the purposes of sub-paragraph (3) above a company falls within the founding company's group at a particular time if—
- (a) it is the founding company, or
 - (b) it is at that time resident in the United Kingdom and controlled by the founding company.

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[^{F9}(5) This paragraph applies in relation to trusts established on or before the day on which the Finance Act 1994 was passed.]

Textual Amendments

F9 Sch. 5 para. 3(5) inserted (3.5.1994) by 1994 c. 9, s. 102, Sch. 13 para. 2

Modifications etc. (not altering text)

- C4** See Finance Act 1990 (c. 29) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts
- C5** Schedule 5 para. 3(3)(c) amended (1.1.1992) by S.I. 1991/2684, arts. 2(1), 4, Sch. 1
- C6** Sch. 5 para. 3(3)(c) applied (with modifications) (E.W.) (23.12.2011) by The Legal Services Act 2007 (Designation as a Licensing Authority) (No. 2) Order 2011 (S.I. 2011/2866), art. 1(2), Sch. 2

[^{F10}3A Where a trust is established after the day on which the Finance Act 1994 was passed, the trust deed must make provision as mentioned in one of paragraphs (a) to (c) below—

- (a) provision for the establishment of a body of trustees and complying with paragraph 3(2) to (4) above;
- (b) provision for the establishment of a body of trustees and complying with paragraph 3B(2) to (9) below;
- (c) provision that at any time while the trust subsists there must be a single trustee.]

Textual Amendments

F10 Sch. 5 paras. 3A-3C inserted (3.5.1994) by 1994 c. 9, s. 102, Sch. 13 para. 3

[^{F11}3B (1) The following are the provisions that must be complied with under paragraph 3A(b) above.

- (2) The trust deed must—
 - (a) appoint the initial trustees;
 - (b) contain rules for the retirement and removal of trustees;
 - (c) contain rules for the appointment of replacement and additional trustees.
- (3) The trust deed must be so framed that at any time while the trust subsists the conditions set out in sub-paragraph (4) below are fulfilled as regards the persons who are then trustees; and in that sub-paragraph “the relevant time” means that time.
- (4) The conditions are that—
 - (a) the number of trustees is not less than three;
 - (b) all the trustees are resident in the United Kingdom;
 - (c) the trustees include at least one person who is a professional trustee and at least two persons who are non-professional trustees;
 - (d) at least half of the non-professional trustees were, before being appointed as trustees, selected in accordance with sub-paragraph (7) or (8) below;
 - (e) all the trustees so selected are persons who are employees of companies which fall within the founding company’s group at the relevant time, and who do not have and have never had a material interest in any such company.

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- (5) For the purposes of this paragraph a trustee is a professional trustee at a particular time if—
- (a) the trustee is then a trust corporation, a solicitor, or a member of such other professional body as the Board may at that time allow for the purposes of this sub-paragraph,
 - (b) the trustee is not then an employee or director of any company then falling within the founding company's group, and
 - (c) the trustee meets the requirements of sub-paragraph (6) below;
- and for the purposes of this paragraph a trustee is a non-professional trustee at a particular time if the trustee is not then a professional trustee for those purposes.
- (6) A trustee meets the requirements of this sub-paragraph if—
- (a) he was appointed as an initial trustee and, before being appointed as trustee, was selected by (and only by) the persons who later became the non-professional initial trustees, or
 - (b) he was appointed as a replacement or additional trustee and, before being appointed as trustee, was selected by (and only by) the persons who were the non-professional trustees at the time of the selection.
- (7) Trustees are selected in accordance with this sub-paragraph if the process of selection is one under which—
- (a) all the persons who are employees of the companies which fall within the founding company's group at the time of the selection, and who do not have and have never had a material interest in any such company, are (so far as is reasonably practicable) given the opportunity to stand for selection,
 - (b) all the employees of the companies falling within the founding company's group at the time of the selection are (so far as is reasonably practicable) given the opportunity to vote, and
 - (c) persons gaining more votes are preferred to those gaining less.
- (8) Trustees are selected in accordance with this sub-paragraph if they are selected by persons elected to represent the employees of the companies falling within the founding company's group at the time of the selection.
- (9) For the purposes of this paragraph a company falls within the founding company's group at a particular time if—
- (a) it is at that time resident in the United Kingdom, and
 - (b) it is the founding company or it is at that time controlled by the founding company.

Textual Amendments

F11 Sch. 5 paras. 3A-3C inserted (3.5.1994) by 1994 c. 9, s. 102, Sch. 13 para. 3

^{F12}3C (1) This paragraph applies where the trust deed provides that at any time while the trust subsists there must be a single trustee.

- (2) The trust deed must—
- (a) be so framed that at any time while the trust subsists the trustee is a company which at that time is resident in the United Kingdom and controlled by the founding company;

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- (b) appoint the initial trustee;
 - (c) contain rules for the removal of any trustee and for the appointment of a replacement trustee.
- (3) The trust deed must be so framed that at any time while the trust subsists the company which is then the trustee is a company so constituted that the conditions set out in sub-paragraph (4) below are then fulfilled as regards the persons who are then directors of the company; and in that sub-paragraph “the relevant time” is that time and “the trust company” is that company.
- (4) The conditions are that—
- (a) the number of directors is not less than three;
 - (b) all the directors are resident in the United Kingdom;
 - (c) the directors include at least one person who is a professional director and at least two persons who are non-professional directors;
 - (d) at least half of the non-professional directors were, before being appointed as directors, selected in accordance with sub-paragraph (7) or (8) below;
 - (e) all the directors so selected are persons who are employees of companies which fall within the founding company’s group at the relevant time, and who do not have and have never had a material interest in any such company.
- (5) For the purposes of this paragraph a director is a professional director at a particular time if—
- (a) the director is then a solicitor or a member of such other professional body as the Board may at that time allow for the purposes of this sub-paragraph,
 - (b) the director is not then an employee of any company then falling within the founding company’s group,
 - (c) the director is not then a director of any such company (other than the trust company), and
 - (d) the director meets the requirements of sub-paragraph (6) below;
- and for the purposes of this paragraph a director is a non-professional director at a particular time if the director is not then a professional director for those purposes.
- (6) A director meets the requirements of this sub-paragraph if—
- (a) he was appointed as an initial director and, before being appointed as director, was selected by (and only by) the persons who later became the non-professional initial directors, or
 - (b) he was appointed as a replacement or additional director and, before being appointed as director, was selected by (and only by) the persons who were the non-professional directors at the time of the selection.
- (7) Directors are selected in accordance with this sub-paragraph if the process of selection is one under which—
- (a) all the persons who are employees of the companies which fall within the founding company’s group at the time of the selection, and who do not have and have never had a material interest in any such company, are (so far as is reasonably practicable) given the opportunity to stand for selection,
 - (b) all the employees of the companies falling within the founding company’s group at the time of the selection are (so far as is reasonably practicable) given the opportunity to vote, and
 - (c) persons gaining more votes are preferred to those gaining less.

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- (8) Directors are selected in accordance with this sub-paragraph if they are selected by persons elected to represent the employees of the companies falling within the founding company's group at the time of the selection.
- (9) For the purposes of this paragraph a company falls within the founding company's group at a particular time if—
- (a) it is at that time resident in the United Kingdom, and
 - (b) it is the founding company or it is at that time controlled by the founding company.

Textual Amendments

F12 Sch. 5 paras. 3A-3C inserted (3.5.1994) by 1994 c. 9, s. 102, Sch. 13 para. 3

Beneficiaries

- 4 (1) The trust deed must contain provision as to the beneficiaries under the trust, in accordance with the following rules.
- (2) The trust deed must provide that a person is a beneficiary at a particular time (the relevant time) if—
- (a) he is at the relevant time an employee or director of a company which at that time falls within the founding company's group,
 - (b) at each given time in a qualifying period he was an employee or director of a company falling within the founding company's group at that given time, and
 - (c) [^{F13}in the case of a director, at that given time he worked as a] director of the company concerned at the rate of at least 20 hours a week (ignoring such matters as holidays and sickness).
- [^{F14}(2A) The trust deed may provide that a person is a beneficiary at a given time if at that time he is eligible to participate in [^{F15}an SAYE option scheme]—
- (a) which was established by a company within the founding company's group, and
 - (b) which is approved under [^{F16}Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003].
- [^{F14}(2B) Where a trust deed contains a rule conforming with sub-paragraph (2A) above it must provide that the only powers and duties which the trustees may exercise in relation to persons who are beneficiaries by virtue only of that rule are those which may be exercised in accordance with the provisions of a scheme such as is mentioned in that sub-paragraph.]
- (3) The trust deed may provide that a person is a beneficiary at a particular time (the relevant time) if—
- (a) he has at each given time in a qualifying period been an employee or director of a company falling within the founding company's group at that given time,
 - (b) he has ceased to be an employee or director of the company or the company has ceased to fall within that group, and
 - (c) at the relevant time a period of not more than eighteen months has elapsed since he so ceased or the company so ceased (as the case may be).

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- (4) The trust deed may provide for a person to be a beneficiary if the person is a charity and the circumstances are such that—
- there is no person who is a beneficiary within any rule which is included in the deed and conforms with sub-paragraph (2) [^{F17}, (2A)] or (3) above, and
 - the trust is in consequence being wound up.
- (5) For the purposes of sub-paragraph (2) above a qualifying period is a period—
- whose length is ^{F18} . . . not more than five years,
 - whose length is specified in the trust deed, and
 - which ends with the relevant time (within the meaning of that sub-paragraph).
- (6) For the purposes of sub-paragraph (3) above a qualifying period is a period—
- whose length is equal to that of the period specified in the trust deed for the purposes of a rule which conforms with sub-paragraph (2) above, and
 - which ends when the person or company (as the case may be) ceased as mentioned in sub-paragraph (3)(b) above.
- (7) The trust deed must not provide for a person to be a beneficiary unless she falls within any rule which is included in the deed and conforms with sub-paragraph (2) [^{F19}, (2A)], (3) or (4) above.
- (8) The trust deed must provide that, notwithstanding any other rule which is included in it, a person cannot be a beneficiary at a particular time (the relevant time) [^{F20} by virtue of a rule which conforms with sub-paragraph (2), (3) or (4) above] if—
- at that time he has a material interest in the founding company, or
 - at any time in the period of one year preceding the relevant time he has had a material interest in that company.
- (9) For the purposes of this paragraph a company falls within the founding company's group at a particular time if—
- it is at that time resident in the United Kingdom, and
 - it is the founding company or it is at that time controlled by the founding company.

^{F21}(10)

Textual Amendments

- F13** Words in Sch. 5 para. 4(2)(c) substituted (1.5.1995 with effect as mentioned in s. 137(9) of the amending Act) by 1995 c. 4, s. 137(5)
- F14** Sch. 5 para. 4(2A)(2B) inserted (29.4.1996 with effect in relation to trusts established on or after 29.4.1996) by 1996 c. 8, s. 120(1)(12)
- F15** Words in Sch. 5 para. 4(2A) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 6 para. 163(2)(a) (with Sch. 7)
- F16** Words in Sch. 5 para. 4(2A)(b) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 6 para. 163(2)(b) (with Sch. 7)
- F17** Words in Sch. 5 para. 4(4) inserted (29.4.1996 with effect in relation to trusts established on or after 29.4.1996) by 1996 c. 8, s. 120(5)(12)
- F18** Words in Sch. 5 para. 4(5)(a) repealed (29.4.1996 with effect in relation to trusts established on or after 29.4.1996) by 1996 c. 8, s. 119(1)(2), 205, Sch. 41 Pt. V(5), note 4

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- F19** Words in Sch. 5 para. 4(7) inserted (29.4.1996 with effect in relation to trusts established on or after 29.4.1996) by 1996 c. 8, s. 120(6)(12)
- F20** Words in Sch. 5 para. 4(8) inserted (29.4.1996 with effect in relation to trusts established on or after 29.4.1996) by 1996 c. 8, s. 120(7)(12)
- F21** Sch. 5 para. 4(10) omitted (with effect in accordance with art. 7 of the commencing S.I.) by virtue of Finance Act 2010 (c. 13), Sch. 6 paras. 12, 34(2); S.I. 2012/736, art. 7

Modifications etc. (not altering text)

- C7** See Finance Act 1990 (c. 29) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts

Trustees' functions

- 5 (1) The trust deed must contain provision as to the functions of the trustees.
- (2) The functions of the trustees must be so expressed that it is apparent that their general functions are—
- (a) to receive sums from the founding company and other sums (by way of loan or otherwise);
 - (b) to acquire securities;
 - (c) to transfer securities or sums (or both) to persons who are beneficiaries under the terms of the trust deed;
 - [^{F22}(cc) to grant rights to acquire shares to persons who are beneficiaries under the terms of the trust deed;]
 - (d) to transfer securities to the trustees of profit sharing schemes approved under Schedule 9 to the Taxes Act 1988, for a price not less than the price the securities might reasonably be expected to fetch on a sale in the open market;
 - (e) pending transfer, to retain the securities and to manage them (whether by exercising voting rights or otherwise).

Textual Amendments

- F22** Sch. 5 para. 5(2)(cc) inserted (29.4.1996 with effect in relation to trusts established on or after 29.4.1996) by 1996 c. 8, s. 120(8)(12)

Modifications etc. (not altering text)

- C8** See Finance Act 1990 (c. 29) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts

Sums

- 6 (1) The trust deed must require that any sum received by the trustees—
- (a) must be expended within the relevant period,
 - (b) may be expended only for one or more of the qualifying purposes, and
 - (c) must, while it is retained by them, be kept as cash or be kept in an account with a bank or building society.
- (2) For the purposes of sub-paragraph (1) above the relevant period is the period of nine months beginning with the day found as follows—

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- (a) in a case where the sum is received from the founding company, or a company which is controlled by that company at the time the sum is received, the day following the end of the period of account in which the sum is charged as an expense of the company from which it is received;
 - (b) in any other case, the day the sum is received.
- (3) For the purposes of sub-paragraph (1) above each of the following is a qualifying purpose—
- (a) the acquisition of shares in the founding company;
 - (b) the repayment of sums borrowed;
 - (c) the payment of interest on sums borrowed;
 - (d) the payment of any sum to a person who is a beneficiary under the terms of the trust deed;
 - (e) the meeting of expenses.
- (4) The trust deed must provide that, in ascertaining for the purposes of a relevant rule whether a particular sum has been expended, sums received earlier by the trustees shall be treated as expended before sums received by them later; and a relevant rule is one which is included in the trust deed and conforms with sub-paragraph (1) above.
- (5) The trust deed must provide that, where the trustees pay sums to different beneficiaries at the same time, all the sums must be paid on similar terms.
- (6) For the purposes of sub-paragraph (5) above, the fact that terms vary according to the levels of remuneration of beneficiaries, the length of their service, or similar factors, shall not be regarded as meaning that the terms are not similar.

Modifications etc. (not altering text)

C9 See Finance Act 1990 (c. 29) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts

Securities

- 7 (1) Subject to paragraph 8 below, the trust deed must provide that securities acquired by the trustees must be shares in the founding company which—
- (a) form part of the ordinary share capital of the company,
 - (b) are fully paid up,
 - (c) are not redeemable, and
 - (d) are not subject to any restrictions other than restrictions which attach to all shares of the same class or a restriction authorised by sub-paragraph (2) below.
- (2) Subject to sub-paragraph (3) below, a restriction is authorised by this sub-paragraph if—
- (a) it is imposed by the founding company's articles of association,
 - (b) it requires all shares held by directors or employees of the founding company, or of any other company which it controls for the time being, to be disposed of on ceasing to be so held, and

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- (c) it requires all shares acquired, in pursuance of rights or interests obtained by such directors or employees, by persons who are not (or have ceased to be) such directors or employees to be disposed of when they are acquired.
- (3) A restriction is not authorised by sub-paragraph (2) above unless—
 - (a) any disposal required by the restriction will be by way of sale for a consideration in money on terms specified in the articles of association, and
 - (b) the articles also contain general provisions by virtue of which any person disposing of shares of the same class (whether or not held or acquired as mentioned in sub-paragraph (2) above) may be required to sell them on terms which are the same as those mentioned in paragraph (a) above.
- (4) The trust deed must provide that shares in the founding company may not be acquired by the trustees at a price exceeding the price they might reasonably be expected to fetch on a sale in the open market.
- (5) The trust deed must provide that shares in the founding company may not be acquired by the trustees at a time when that company is controlled by another company.

Modifications etc. (not altering text)

C10 See Finance Act 1990 (c. 29) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts

- 8 The trust deed may provide that the trustees may acquire securities other than shares in the founding company—
- (a) if they are securities issued to the trustees in exchange in circumstances mentioned in section [F²³135(1) of the M⁹Taxation of Chargeable Gains Act 1992], or
 - (b) if they are securities acquired by the trustees as a result of a reorganisation, and the original shares the securities represent are shares in the founding company (construing “reorganisation” and “original shares” in accordance with section [F²³126] of that Act).

Textual Amendments

F23 Words in Sch. 5 para. 8 substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, Sch. 10 para. 19(5) (with s. 60, 101(1), 201(3))

Modifications etc. (not altering text)

C11 See Finance Act 1990 (c. 29) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts

Marginal Citations

M9 1992 c. 12.

- 9 (1) The trust deed must provide that—
- (a) where the trustees transfer securities to a beneficiary, they must do so on qualifying terms;

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- (b) the trustees must transfer securities before the expiry of the ^{F24}qualifying period] beginning with the date on which they acquired them.
- (2) For the purposes of sub-paragraph (1) above a transfer of securities is made on qualifying terms if—
- (a) all the securities transferred at the same time ^{F25}other than those transferred on a transfer such as is mentioned in sub-paragraph (2ZA) below] are transferred on similar terms,
- (b) securities have been offered to all the persons who are beneficiaries under the terms of the trust deed ^{F26}by virtue of a rule which conforms with paragraph 4(2), (3) or (4) above] when the transfer is made, and
- (c) securities are transferred to all such ^{F27}persons] who have accepted.
- ^{F28}(2ZA) For the purposes of sub-paragraph (1) above a transfer of securities is also made on qualifying terms if—
- (a) it is made to a person exercising a right to acquire shares, and
- (b) that right was obtained in accordance with the provisions of ^{F29}an SAYE option scheme]—
- (i) which was established by, or by a company controlled by, the founding company, and
- (ii) which is approved under ^{F30}Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003], and
- (c) that right is being exercised in accordance with the provisions of that scheme, and
- (d) the consideration for the transfer is payable to the trustees.]
- ^{F31}(2A) For the purposes of sub-paragraph (1) above the qualifying period is—
- (a) seven years, in the case of trusts established on or before the day on which the Finance Act 1994 was passed;
- (b) twenty years, in the case of other trusts.]
- (3) For the purposes of sub-paragraph (2) above, the fact that terms vary according to the levels of remuneration of beneficiaries, the length of their service, or similar factors, shall not be regarded as meaning that the terms are not similar.
- (4) The trust deed must provide that, in ascertaining for the purposes of a relevant rule whether particular securities are transferred, securities acquired earlier by the trustees shall be treated as transferred by them before securities acquired by them later; and a relevant rule is one which is included in the trust deed and conforms with sub-paragraph (1) above.

Textual Amendments

- F24** Words in Sch. 5 para. 9(1)(b) substituted (3.5.1994) by 1994 c. 9, s. 102, Sch. 13 para. 7(2)
- F25** Words in Sch. 5 para. 9(2)(a) inserted (29.4.1996 with effect in relation to trusts established on or after 29.4.1996) by 1996 c. 8, s. 120(9)(a)(12)
- F26** Words in Sch. 5 para. 9(2)(b) inserted (29.4.1996 with effect in relation to trusts established on or after 29.4.1996) by 1996 c. 8, s. 120(9)(b)(12)
- F27** Words in Sch. 5 para. 9(2)(c) inserted (29.4.1996 with effect in relation to trusts established on or after 29.4.1996) by 1996 c. 8, s. 120(9)(c)(12)

Status: Point in time view as at 17/07/2012.

Changes to legislation: Finance Act 1989 is up to date with all changes known to be in force on or before 29 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- F28** Sch. 5 para. 9(2ZA) inserted (29.4.1996 with effect in relation to trusts established on or after 29.4.1996) by 1996 c. 8, s. 120(10)(12)
- F29** Words in Sch. 5 para. 9(2ZA)(b) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 6 para. 163(3)(a) (with Sch. 7)
- F30** Words in Sch. 5 para. 9(2ZA)(b)(ii) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 6 para. 163(3)(b) (with Sch. 7)
- F31** Sch. 5 para. 9(2A) inserted (3.5.1994) by 1994 c. 9, s. 102, Sch. 13 para. 7(3)

Modifications etc. (not altering text)

- C12** See Finance Act 1990 (c. 29) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts

Other features

- 10 The trust deed must not contain features which are not essential or reasonably incidental to the purpose of acquiring sums and securities, [^{F32}granting rights to acquire shares to persons who are eligible to participate in [^{F33}SAYE option schemes approved under Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003], transferring shares to such persons,] transferring sums and securities to employees and directors, and transferring securities to the trustees of profit sharing schemes approved under [^{F34}Schedule 9 to the Taxes Act 1988].

Textual Amendments

- F32** Words in Sch. 5 para. 10 inserted (29.4.1996 with effect in relation to trusts established on or after 29.4.1996) by 1996 c. 8, s. 120(11)(a)(12)
- F33** Words in Sch. 5 para. 10 substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 6 para. 163(4)(a) (with Sch. 7)
- F34** Words in Sch. 5 para. 10 substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 6 para. 163(4)(b) (with Sch. 7)

Modifications etc. (not altering text)

- C13** See Finance Act 1990 (c. 29) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts

Rules about acquisition etc.

- 11 (1) The trust deed must provide that, for the purposes of the deed, the trustees—
- (a) acquire securities when they become entitled to them;
 - (b) transfer securities to another person when that other becomes entitled to them;
 - (c) retain securities if they remain entitled to them.
- (2) But if the deed provides as mentioned in paragraph 8 above, it must provide for the following exceptions to any rule which is included in it and conforms with subparagraph (1)(a) above, namely, that—
- (a) if securities are issued to the trustees in exchange in circumstances mentioned in section [^{F35}135(1) of the ^{M10}Taxation of Chargeable Gains Act 1992], they

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- shall be treated as having acquired them when they became entitled to the securities for which they are exchanged;
- (b) if the trustees become entitled to securities as a result of a reorganisation, they shall be treated as having acquired them when they became entitled to the original shares which those securities represent (construing “reorganisation” and “original shares” in accordance with section [F35]126] of that Act).
- (3) The trust deed must provide that—
- (a) if the trustees agree to take a transfer of securities, for the purposes of the deed they become entitled to them when the agreement is made and not on a later transfer made pursuant to the agreement;
- (b) if the trustees agree to transfer securities to another person, for the purposes of the deed the other person becomes entitled to them when the agreement is made and not on a later transfer made pursuant to the agreement.

Textual Amendments

F35 Words in [Sch. 5 para. 11](#) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 10 para. 19\(5\)](#) (with s. 60, 101(1), 201(3))

Modifications etc. (not altering text)

C14 See [Finance Act 1990 \(c. 29\)](#) ss.31–40—*roll-over relief for disposal of shares to employee share ownership trusts*

Marginal Citations

M10 1992 c. 12.

Position after trust's establishment

- 12 A trust which was at the time it was established a qualifying employee share ownership trust shall continue to be one, except that it shall not be such a trust at any time when the requirements mentioned in paragraph 3(3)(a) to (f) above are not satisfied. [F36]This paragraph applies in relation to trusts established on or before the day on which the Finance Act 1994 was passed.]

Textual Amendments

F36 Words in [Sch. 5 para. 12](#) inserted (3.5.1994) by [1994 c. 9, s. 102](#), [Sch. 13 para. 4](#)

Modifications etc. (not altering text)

C15 See [Finance Act 1990 \(c. 29\)](#) ss.31–40—*roll-over relief for disposal of shares to employee share ownership trusts*

- [F37]12A(1) Subject to sub-paragraphs (2) and (3) below, a trust which was at the time it was established a qualifying employee share ownership trust shall continue to be one.
- (2) If the trust deed makes provision under paragraph 3A(a) above, the trust shall not be a qualifying employee share ownership trust at any time when the requirements mentioned in paragraph 3(3)(a) to (f) above are not satisfied.

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- (3) If the trust deed makes provision under paragraph 3A(b) above, the trust shall not be a qualifying employee share ownership trust at any time when the conditions mentioned in paragraph 3B(4)(a) to (e) above are not satisfied.
- (4) If the trust deed makes provision under paragraph 3A(c) above, the trust shall not be a qualifying employee share ownership trust at any time when—
- (a) there is not a single trustee,
 - (b) the trustee is not a company which is resident in the United Kingdom and controlled by the founding company, or
 - (c) the conditions mentioned in paragraph 3C(4)(a) to (e) above are not satisfied as regards the directors of the trustee.
- (5) This paragraph applies in relation to trusts established after the day on which the Finance Act 1994 was passed.]

Textual Amendments

F37 Sch. 5 para. 12A inserted (3.5.1994) by 1994 c. 9, s. 102, Sch. 13 para. 5

- 13 A trust is an employee share ownership trust at a particular time (the relevant time) if it was a qualifying employee share ownership trust at the time it was established; and it is immaterial whether or not it is a qualifying employee share ownership trust at the relevant time.

Modifications etc. (not altering text)

C16 See Finance Act 1990 (c. 29) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts

Interpretation

- 14 For the purposes of this Schedule the following are securities—
- (a) shares;
 - (b) debentures.

Modifications etc. (not altering text)

C17 See Finance Act 1990 (c. 29) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts

- 15 For the purposes of this Schedule, the question whether one company is controlled by another shall be construed in accordance with [F38 section 995 of the Income Tax Act 2007].

Textual Amendments

F38 Words in Sch. 5 para. 15 substituted (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), Sch. 1 para. 283(2) (with Sch. 2)

Status: Point in time view as at 17/07/2012.

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Modifications etc. (not altering text)

C18 See Finance Act 1990 (c. 29) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts

- 16 (1) For the purposes of this Schedule a person shall be treated as having a material interest in a company if he, either on his own or with one or more of his associates, or if any associate of his with or without other such associates,—
- (a) is the beneficial owner of, or able (directly or through the medium of other companies or by any other indirect means) to control, more than 5 percent. of the ordinary share capital of the company, or
 - (b) possesses, or is entitled to acquire, such rights as would, in the event of the winding-up of the company or in any other circumstances, give an entitlement to receive more than 5 per cent. of the assets which would then be available for distribution among the participators.
- (2) In this paragraph—
- (a) “associate” has the [F39] meaning given by section 448 of the Corporation Tax Act 2010], but subject to sub-paragraph (3) below,
 - (b) “control” has the meaning given by [F40] section 995 of the Income Tax Act 2007], and
 - (c) “participator” has the [F41] meaning given by section 454 of the Corporation Tax Act 2010].
- (3) Where a person has an interest in shares or obligations of the company as a beneficiary of an employee benefit trust, the trustees shall not be regarded as associates of his by reason only of that interest unless sub-paragraph (5) below applies in relation to him.
- (4) In sub-paragraph (3) above “employee benefit trust” has the same meaning as in paragraph 7 of Schedule 8 to the Taxes Act 1988, except that in its application for this purpose paragraph 7(5)(b) of that Schedule shall have effect as if it referred to the day on which this Act was passed instead of to 14th March 1989.
- (5) This sub-paragraph applies in relation to a person if at any time on or after the day on which this Act was passed—
- (a) he, either on his own or with any one or more of his associates, or
 - (b) any associate of his, with or without other such associates,
- has been the beneficial owner of, or able (directly or through the medium of other companies or by any other indirect means) to control, more than 5 percent. of the ordinary share capital of the company.
- (6) Sub-paragraphs (9) to (12) of paragraph 7 of Schedule 8 to the Taxes Act 1988 shall apply for the purposes of sub-paragraph (5) above as they apply for the purposes of that paragraph.

Textual Amendments

- F39** Words in Sch. 5 para. 16(2)(a) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 216(a) (with Sch. 2)
- F40** Words in Sch. 5 para. 16(2)(b) substituted (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), Sch. 1 para. 283(3)(a) (with Sch. 2)
- F41** Words in Sch. 5 para. 16(2)(c) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 216(b) (with Sch. 2)

Status: Point in time view as at 17/07/2012.

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Modifications etc. (not altering text)

C19 See [Finance Act 1990 \(c. 29\)](#) ss.31–40—roll-over relief for disposal of shares to employee share ownership trusts

[^{F42}17 For the purposes of this Schedule a trust is established when the deed under which it is established is executed.]

Textual Amendments

F42 Sch. 5 para. 17 inserted (3.5.1994) by [1994 c. 9, s. 102](#), [Sch. 13 para. 8](#)

[^{F43}18 For the purposes of this Schedule “SAYE option scheme” has the same meaning as in the SAYE code (see section 516 of the Income Tax (Earnings and Pensions) Act 2003 (approved SAYE option schemes)).]

Textual Amendments

F43 [Sch. 5 para. 18](#) inserted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 6 para. 163\(5\)](#) (with [Sch. 7](#))

^{F44}SCHEDULE 6

Section 75.

Textual Amendments

F44 [Sch. 6](#) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#) (with [Sch. 36](#))

^{F45}SCHEDULE 7

Section 77.

Textual Amendments

F45 [Sch. 7](#) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#) (with [Sch. 36](#))

^{F46}SCHEDULE 8

Section 84.

Status: Point in time view as at 17/07/2012.

Changes to legislation: Finance Act 1989 is up to date with all changes known to be in force on or before 29 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

F46 Sch. 8 omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 247(a)(ii)

F47SCHEDULE 8A

Section 89A.

Textual Amendments

F47 Sch. 8A repealed (with effect in accordance with reg. 1 of the amending S.I.) by The Overseas Life Insurance Companies Regulations 2006 (S.I. 2006/3271), reg. 1, Sch. Pt. 1

F48SCHEDULE 9

Section 90.

Textual Amendments

F48 Sch. 9 omitted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 17(a)

F49SCHEDULE 10

Textual Amendments

F49 Sch. 10 repealed (29.4.1996) by 1996 c. 8, s. 205, Sch. 41 Pt. V(3) (with savings in Pt. IV Ch. II (ss. 80-105))

F50SCHEDULE 11

Textual Amendments

F50 Sch. 11 repealed (29.4.1996) by 1996 c. 8, ss. 104, 205, Sch. 14 para. 57, Sch. 41 Pt. V(3) (with savings in Pt. IV Ch. II (ss. 80-105))

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SCHEDULE 12

Section 107.

CLOSE COMPANIES

PART I

ADMINISTRATIVE PROVISIONS

Interpretation

F72¹

Textual Amendments

F72 Sch. 12 para. 1 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 217, **Sch. 3 Pt. 1** (with Sch. 2)

Provision of information by company

F73²

Textual Amendments

F73 Sch. 12 para. 2 omitted (13.8.2009) by virtue of [The Finance Act 2009, Schedule 47 \(Consequential Amendments\) Order 2009 \(S.I. 2009/2035\)](#), art. 1, **Sch. para. 25**

Provision of information by shareholders

F74F75³

Textual Amendments

F74 Sch. 12 paras. 3, 4 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 217, **Sch. 3 Pt. 1** (with Sch. 2)

F75 Sch. 12 para. 3 omitted (with effect in accordance with Sch. 23 para. 65 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), **Sch. 23 paras. 56, 65(1)(a)** (with Sch. 23 paras. 50, 65(1)(b))

Information about bearer securities

F74⁴

Textual Amendments

F74 Sch. 12 paras. 3, 4 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 217, **Sch. 3 Pt. 1** (with Sch. 2)

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PART II

AMENDMENTS CONNECTED WITH REPEAL OF CHAPTER III OF PART XI OF TAXES ACT 1988

The Taxes Management Act 1970 (c.9)

F76⁵

Textual Amendments

F76 Sch. 12 para. 5 omitted (13.8.2009) by virtue of [The Finance Act 2009, Schedule 47 \(Consequential Amendments\) Order 2009 \(S.I. 2009/2035\)](#), art. 1, **Sch. para. 60(c)**

The Capital Gains Tax Act 1979 (c.14)

F77⁶

Textual Amendments

F77 Sch. 12 para. 6 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with ss. 201(3), Sch. 11 paras. 22, 26(2), 27)

The Income and Corporation Taxes Act 1988 (c.1)

7 In section 13 of the Taxes Act 1988 (small companies' rate) in subsection(9) for the words "paragraph 17 of Schedule 19" there shall be substituted the words "paragraphs 2 to 4 of Schedule 12 to the Finance Act 1989".

F78⁸

Textual Amendments

F78 Sch. 12 para. 8 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

9 (1) In section 187(3) of the Taxes Act 1988 (cases in which a person has a material interest in a company for the purposes of sections 185 to 187 of, and Schedules 9 and 10 to, that Act) for the words from "in a company" to the end of paragraph (b) there shall be substituted—

"in a company if he, either on his own or with one or more associates, or if any associate of his with or without such other associates,—

- (a) is the beneficial owner of, or able, directly or through the medium of other companies, or by any other indirect means to control, more than 25 percent., or in the case of a share option scheme which is not a savings-related share option scheme more than 10 percent., of the ordinary share capital of the company, or
- (b) where the company is a close company, possesses, or is entitled to acquire, such rights as would, in the event of the winding-up of

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the companyor in any other circumstances, give an entitlement to receive more than 25 percent., or in the case of a share option scheme which is not a savings-relatedshare option scheme more than 10 per cent., of the assets which would then beavailable for distribution among the participators.”and at the end there shall be added the words “ and “participator” has the meaning given by section 417(1) ”.

(2) This paragraph shall have effect in relation to accounting periods beginning after 31st March 1989.

10 (1) In section 214 of the Taxes Act 1988 (chargeable payments connected with exempt distributions) in subsection (1)(c) for the words from “338(2)(a)”to “Schedule 19” there shall be substituted the words “and338(2)(a)”.

(2) This paragraph shall have effect in relation to accounting periods beginning after 31st March 1989, except in any case where section 427(4) ofthe Taxes Act 1988 has effect by virtue of section 103(2) of this Act.

F79 11

Textual Amendments

F79 Sch. 12 paras. 11, 12 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

F79 12

Textual Amendments

F79 Sch. 12 paras. 11, 12 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

13 F80(1)

F80(2)

F80(3)

(4) This paragraph shall have effect in relation to accounting periods beginning after 31st March 1989.

Textual Amendments

F80 Sch. 12 para. 13(1)-(3) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

14 (1) In section 576 of the Taxes Act 1988 (which relates to relief for losses on certain unquoted shares) in subsection (5), for paragraph (a) of the definition of “trading company” there shall be substituted—

“(a) a company whose business consists wholly or mainly of the carrying on of a trade or trades”.

(2) This paragraph shall have effect in relation to disposals made after 31st March 1989.

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F81 15

Textual Amendments
F81 Sch. 12 para. 15 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3 (with Sch. 36)

F82 16

Textual Amendments
F82 Sch. 12 para. 16 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3 (with Sch. 36)

F83 17

Textual Amendments
F83 Sch. 12 para. 17 repealed (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), Sch. 3 Pt. 1 (with Sch. 2)

18 (1) Paragraph 7 of Schedule 8 to the Taxes Act 1988 (cases in which a person has a material interest in a company for the purposes of a profit-related pay scheme) shall be amended in accordance with this paragraph.

(2) In sub-paragraph (2) for the words from “in a company” onwards there shall be substituted—

“in a company if he, either on his own or with one or more associates, or if any associate of his with or without such other associates,—

- (a) is the beneficial owner of, or able, directly or through the medium of other companies, or by any other indirect means to control, more than 25 percent. of the ordinary share capital of the company, or
- (b) in the case of a close company, possesses, or is entitled to acquire, such rights as would, in the event of the winding-up of the company or in any other circumstances, give an entitlement to receive more than 25 per cent. of the assets which would then be available for distribution among the participators”.

(3) In sub-paragraph (3) the second “and” shall be omitted and after the definition of “control” there shall be inserted “and

“participator” has the meaning given by section 417(1)”.

(4) This paragraph shall have effect in relation to accounting periods beginning after 31st March 1989.

SCHEDULE 13

Section 121.

CAPITAL ALLOWANCES: MISCELLANEOUS AMENDMENTS

1–26 F84

Status: Point in time view as at 17/07/2012.

Changes to legislation: Finance Act 1989 is up to date with all changes known to be in force on or before 29 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

F84 Sch. 13 paras. 1–26, 28–30 repealed by Capital Allowance Act 1990 (c. 1), s. 164(4)(5), **Sch. 2**

Patent rights

F85 27

Textual Amendments

F85 Sch. 13 para. 27 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 580, **Sch. 4**

28–30 **F86**

Textual Amendments

F86 Sch. 13 paras. 1–26, 28–30 repealed by Capital Allowance Act 1990 (c. 1), s. 164(4)(5), **Sch. 2**

F87 SCHEDULE 14

Textual Amendments

F87 Sch. 14 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with s. 201(3), Sch. 11 paras. 22, 26(2), 27)

Gifts of business assets

F88 1

Textual Amendments

F88 Sch. 14 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with s. 201(3), Sch. 11 paras. 22, 26(2), 27)

F89 2

Textual Amendments

F89 Sch. 14 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with s. 201(3), Sch. 11 paras. 22, 26(2), 27)

F90 3

Status: Point in time view as at 17/07/2012.

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Textual Amendments

F90 Sch. 14 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with s. 201(3), Sch. 11 paras. 22, 26(2), 27)

Gifts on which inheritance tax is chargeable etc.

F91₄

Textual Amendments

F91 Sch. 14 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with s. 201(3), Sch. 11 paras. 22, 26(2), 27)

Payment of tax by instalments

F92₅

Textual Amendments

F92 Sch. 14 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with s. 201(3), Sch. 11 paras. 22, 26(2), 27)

Minor and consequential amendments

F93₆

Textual Amendments

F93 Sch. 14 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with s. 201(3), Sch. 11 paras. 22, 26(2), 27)

F94 SCHEDULE 15

Textual Amendments

F94 Sch. 15 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with s. 201(3), Sch. 11 paras. 22, 26(2), 27)

Postponed charges etc.: pre-1st April 1982 events

F95₁

Status: Point in time view as at 17/07/2012.

Changes to legislation: Finance Act 1989 is up to date with all changes known to be in force on or before 29 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

F95 Sch. 15 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with s. 201(3), Sch. 11 paras. 22, 26(2), 27)

F96₂

Textual Amendments

F96 Sch. 15 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with s. 201(3), Sch. 11 paras. 22, 26(2), 27)

Reduction of 1982 value in certain cases

F97₃

Textual Amendments

F97 Sch. 15 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with s. 201(3), Sch. 11 paras. 22, 26(2), 27)

No gain/no loss disposals

F98₄

Textual Amendments

F98 Sch. 15 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with s. 201(3), Sch. 11 paras. 22, 26(2), 27)

Elections

F99₅

Textual Amendments

F99 Sch. 15 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with s. 201(3), Sch. 11 paras. 22, 26(2), 27)

Status: Point in time view as at 17/07/2012.

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[^{F100}SCHEDULE 16

Section 181.

BROADCASTING: ADDITIONAL PAYMENTS BY PROGRAMME CONTRACTORS

Textual Amendments

F100 S. 181, Sch. 16 repealed (prosp. as mentioned in S.I. 1990/2347, art. 3(3)) by Broadcasting Act 1990 (c. 42, SIF 96), ss. 127-129, 134, 203(3), 204(2), Schs. 9-12, Sch. 21

PART I

AMENDMENTS OF THE PRINCIPAL SECTIONS

- 1 (1) Section 32 of the ^{M13}Broadcasting Act 1981 (rental payments by programme contractors) shall be amended as follows.
- (2) In subsection (1)(b), after the word “amounts” there shall be inserted the words “in respect of profits and in respect of advertising revenue”.
- (3) In subsection (2)(b), after the word “amounts” there shall be inserted the words “in respect of profits”.
- (4) In subsection (4), for the word “Table”, where it first occurs, there shall be substituted the word “Tables” and the following Tables shall be substituted for the Table in that subsection—

“TABLE A

RATES OF ADDITIONAL PAYMENTS IN RESPECT OF ADVERTISING REVENUE

	<i>Rate for determining amount of additional payments</i>
For so much of the advertising revenue for the accounting period as does not exceed the free slice for advertising revenue.	Nil
For so much of the advertising revenue for the accounting period as exceeds the free slice for advertising revenue.	The relevant revenue rate except where the rate is nil

For the purposes of this Table—

- (a) a nil rate, instead of the relevant revenue rate, is applicable in the case of persons who are DBS programme contractors or DBS teletext contractors;
- (b) the relevant revenue rate is 10 per cent; and
- (c) the free slice for advertising revenue is £15 million or, in the case of a TV programme contractor, that amount with the addition of the payments payable by him in pursuance of section 13(2).

Status: Point in time view as at 17/07/2012.

Changes to legislation: Finance Act 1989 is up to date with all changes known to be in force on or before 29 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

TABLE B

RATES OF ADDITIONAL PAYMENTS IN RESPECT OF PROFITS

For so much of the profits for the accounting period after deducting any amount payable under Table A as does not exceed the free slice for profits.	Nil
For so much of the profits for the accounting period after deducting any amount payable under Table A as exceeds the free slice for profits.	The relevant profits rate except where the rate is nil.

For the purposes of this Table—

- (a) a nil rate, instead of the relevant profits rate, is applicable in the case of—
 - (i) programme contractors who provide local sound broadcasts, and
 - (ii) DBS programme contractors or DBS teletext contractors;
 - (b) the relevant profits rate is 25 per cent; and
 - (c) the free slice for profits is £2 million.”
- (5) Subsection (4A) shall be omitted.
- (6) In subsection (5), for the words “relevant sum mentioned in subsection(4A)” there shall be substituted the words “relevant sum mentioned in the Tables above”.
- (7) In subsection (7), after the words “additional payments” there shall be inserted the words “in respect of profits”.
- (8) In subsection (8), for the words “any of the provisions of subsections(4), (4A)” there shall be substituted the words “any of the provisions of subsections (4)”.
- (9) For subsection (9) there shall be substituted the following subsections—
- “(9) The power of the Secretary of State under subsection (8) shall include power to amend the provisions in question as there mentioned—
- (a) only in their application in relation to the additional payments mentioned in subsection (1)(b); or
 - (b) only in their application in relation to the additional payments mentioned in subsection (2)(b); or
 - (c) differently in their application as mentioned in paragraphs (a) and (b) respectively; or
 - (d) only in their application in relation to additional payments in respect of advertising revenue; or
 - (e) only in their application in relation to additional payments in respect of profits; or
 - (f) differently in their application as mentioned in paragraphs (d) and (e) respectively.

Status: Point in time view as at 17/07/2012.

Changes to legislation: Finance Act 1989 is up to date with all changes known to be in force on or before 29 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (9A) In the application of the provisions mentioned in subsection (8) in relation to the additional payments mentioned in subsection (1)(b), the power of the Secretary of State under subsection (8) shall also include power to amend those provisions as mentioned in subsection (8)—
- (a) only in relation to persons who are TV programme contractors (including persons who are both TV programme contractors and teletext contractors); or
 - (b) only in relation to persons who are DBS programme contractors (including persons who are both DBS programme contractors and teletext contractors); or
 - (c) only in relation to persons who are teletext contractors (other than DBS teletext contractors) but are not TV or DBS programme contractors; or
 - (d) only in relation to persons who are DBS teletext contractors but are not TV or DBS programme contractors; or
 - (e) differently in relation to persons within paragraphs (a), (b), (c) and (d) respectively.”

Marginal Citations

M13 1981 c. 68.

- 2 (1) Section 33 of the ^{M14}Broadcasting Act 1981 (supplemental provisions) shall be amended as follows.
- (2) In subsection (1), for the words “advertising receipts” there shall be substituted the words “advertising revenue”.
- (3) In subsection (2), for the words “advertising receipts” there shall be substituted the words “advertising revenue” and for the words “those receipts derive” there shall be substituted the words “the revenue derives”.
- (4) In subsection (3)(c), for the words “advertising receipts” there shall be substituted the words “advertising revenue” and for the word “derive” there shall be substituted the word “derives”.

Marginal Citations

M14 1981 c. 68.

- 3 (1) Section 34 of the Broadcasting Act 1981 (instalments payable on account by programme contractors for their accounting periods) shall be amended as follows.
- (2) In subsection (3)(c), for the words “receipts are” there shall be substituted the words “revenue is”.
- 4 (1) Section 35 of the ^{M15}Broadcasting Act 1981 (provision for supplementing additional payments) shall be amended as follows.
- (2) In subsection (1)—
- (a) in paragraph (a), after the words “additional payments” there shall be inserted the words “in respect of profits”;

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- (b) in paragraph (b)(ii), the words “in the case of second category profits,” shall be omitted; and
- (c) at the end, there shall be added the words “in respect of profits of his for that period”.

Marginal Citations

M15 1981 c. 68.

PART II

PROVISIONS INSERTED AS SCHEDULE 4 TO THE BROADCASTING ACT 1981

“SCHEDULE 4

RENTAL PAYMENTS

Advertising revenue

- 1 (1) The advertising revenue of a programme contractor for an accounting period shall be computed in accordance with this paragraph.
- (2) Advertising revenue shall consist of the payments received or to be received by the programme contractor in consideration of the insertion of advertisements in programmes provided by the programme contractor and broadcast in the United Kingdom by the Authority.
- (3) In the application of this Schedule in relation to the additional payments mentioned in section 32(1)(b), the advertising revenue of a programme contractor other than a teletext contractor who is not a TV programme contractor includes payments received or to be received by him in consideration of the insertion of programmes consisting of advertisements provided by him for broadcasting on the Fourth Channel and so broadcast.
- (4) If, in connection with the insertion of advertisements which are paid for by payments constituting advertising revenue, any payments are made to the programme contractor to meet any additional payments, those payments shall be regarded as made in consideration of the insertion of the advertisements in question.
- (5) In the case of an advertisement inserted in a programme under arrangements made between a programme contractor and a person acting as advertising agent, the amount of any receipt by the programme contractor which represents a payment by the advertiser from which the advertising agent has deducted any amount by way of commission shall, except in a case falling within sub-paragraph (6), be the amount of the payment by the advertiser after the deduction of the commission.
- (6) If the amount deducted by way of commission as mentioned in sub-paragraph (5) exceeds 15 per cent. of the payment by the advertiser, the amount of the receipt shall be the amount of that payment less 15 per cent.
- (7) Any contract shall provide that where for any insertion of an advertisement a programme contractor receives or is entitled to an entire consideration not solely referable to that insertion, the advertising revenue shall be calculated by reference to so much only of

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the consideration as isreferable to that insertion according to an apportionment made in such manneras the contract may provide.

Profits

- 2 (1) The profits of a programme contractor for an accounting period shall becomputed in accordance with this paragraph.
- (2) The profits shall consist of the excess of relevant income over relevantexpenditure.
- (3) “Relevant income” means—
- (a) in relation to a programme contractor other than a DBS programmecontractor or a DBS teletext contractor, income which accrues to thecontractor in connection (directly or indirectly) with—
 - (i) the provision by the contractor of programmes for broadcasting on ITV, theFourth Channel or a local sound broadcasting service, or
 - (ii) the provision by the contractor, for broadcasting, distribution or showingin the United Kingdom, of programmes provided by him for broadcasting on ITV,the Fourth Channel or a local sound broadcasting service;
 - (b) in relation to a DBS programme contractor or DBS teletext contractor,income which accrues to the contractor in connection (directly or indirectly)with—
 - (i) the provision by the contractor to the Authority, in accordance with theterms of his contract as a DBS programme contractor or (as the case may be)DBS teletext contractor, of programmes for broadcasting in the Authority’s DBSservice to which his contract with the Authority relates, or
 - (ii) the provision by the contractor, for broadcasting, distribution or showingin the United Kingdom, of programmes broadcast in the Authority’s DBS service.
- (4) Without prejudice to the generality of sub-paragraph (3), “relevant income” includes—
- (a) all revenue which is advertising revenue for the purposes of thisparagraph; and
 - (b) such part of any income which—
 - (i) accrues to any subsidiary of or company related to the programmecontractor or to the contractor’s holding company, and
 - (ii) would be relevant income of that contractor if he and the subsidiary orrelated company or his holding company were a single programme contractor,
 as, in the opinion of the Authority, should be attributed to thecontractor as reflecting his financial interest in the subsidiary or therespective financial interests of the holding company in the contractor andthe company related to the contractor or the financial interest of the holdingcompany in the contractor, as the case may be.
- (5) For the purposes of this paragraph advertising revenue includes—
- (a) in relation to a DBS programme contractor, payments received or to bereceived by him in respect of charges made for the reception of programmesprovided by him and broadcast in a DBS service;
 - (b) in relation to a teletext contractor, payments received or to be receivedby him in respect of charges made for the reception of programmes provided byhim and broadcast in a DBS or additional teletext service.

Status: Point in time view as at 17/07/2012.

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- (6) “Relevant expenditure” means any expenditure of the programme contractor which is properly chargeable to revenue account and which is incurred in connection with the provision by him of programmes of a kind mentioned in sub-paragraph (3).
- (7) Without prejudice to the generality of sub-paragraph (6), “relevant expenditure” includes—
- (a) expenditure in connection with the sale of rights to insert advertisements in programmes; and
 - (b) such part of any expenditure which—
 - (i) is incurred by any subsidiary of or company related to the programme contractor or by the contractor’s holding company, and
 - (ii) would be relevant expenditure of that contractor if he and the subsidiary or related company or his holding company were a single programme contractor,as, in the opinion of the Authority, should be attributed to the contractor as reflecting his financial interest in the subsidiary or the respective financial interests of the holding company in the contractor and the company related to the contractor or the financial interest of the holding company in the contractor, as the case may be;
 - (c) in the case of a DBS programme contractor or a teletext contractor, any expenditure incurred in connection with the collection of charges for the reception of programmes provided by him and broadcast in a DBS service or in a DBS or additional teletext service, as the case may be; and
 - (d) in the case of a DBS programme or DBS teletext contractor, any expenditure incurred in connection with the provision of the satellite transponder.
- (8) In ascertaining relevant income or relevant expenditure no account shall be taken of interest on any loan.
- (9) Items of relevant income and items of relevant expenditure shall be attributed to accounting periods in accordance with the foregoing provisions of this Schedule.
- (10) In this paragraph “programme” means—
- (a) in the application of this Schedule in relation to the additional payments mentioned in section 32(1)(b), a television programme; and
 - (b) in the application of this Schedule in relation to the additional payments mentioned in section 32(2)(b), a local sound broadcast.

Carry forward of losses

- 3 (1) Where, in any accounting period, the relevant expenditure of a programme contractor exceeds his relevant income, the excess shall be carried forward to the following accounting period and treated as relevant expenditure for that period for the purpose of computing his profits for that period.
- (2) When a programme contractor’s contract with the Authority comes to an end, no losses incurred at any time during the currency of that contract may be carried forward under this paragraph and set against income attributable to any subsequent contract between him and the Authority.

Status: Point in time view as at 17/07/2012.

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Computation of profits of programme contractors

- 4 (1) It shall be the duty of the Authority—
- (a) to draw up, and from time to time review, a statement setting out the principles to be followed in ascertaining, for any accounting period, a programme contractor's—
 - (i) advertising revenue, and
 - (ii) relevant income and relevant expenditure for the purpose of computing his profits;
 - (b) in computing the advertising revenue and the profits of a programme contractor for any accounting period, to take account of that statement (including any revision thereof which has taken effect before the end of that period).
- (2) A statement under this paragraph may set out different principles for TV programme contractors, DBS programme contractors, programme contractors for the provision of local sound broadcasting and teletext contractors.
- (3) Before drawing up or revising a statement under this paragraph the Authority shall consult the Secretary of State and the Treasury.
- (4) The Authority shall—
- (a) publish the statement drawn up under this paragraph and every revision of that statement; and
 - (b) transmit a copy of the statement, and of every revision of it, to the Secretary of State;
- and the Secretary of State shall lay copies of the statement and of every such revision before each House of Parliament.
- (5) The principles relating to advertising revenue and to profits may be set out in separate statements under this paragraph; and where this is done its provisions apply to each statement.

Disputes

- 5 (1) For the purposes of the principal sections and this Schedule—
- (a) the amount of any advertising revenue, or
 - (b) the amount of any profits, or
 - (c) the amount of any additional payments, or of an instalment of additional payments,
- shall, in the event of a disagreement between the Authority and the programme contractor, be the amount determined by the Authority.
- (2) No determination of the Authority under this paragraph shall be called in question in any court of law, or be the subject of any arbitration; but nothing in this sub-paragraph shall prevent the bringing of proceedings for judicial review.

Accounting periods

- 6 (1) Subject to the provisions of this Schedule, each period for which a body corporate which is a programme contractor makes up a profit and loss account which is laid before the body corporate in general meeting shall be an accounting period, whether that period is a year or not.

Status: Point in time view as at 17/07/2012.

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- (2) If part of the said period for which a profit and loss account is made up falls before, and part after—
- (a) the commencement of a relevant order under section 32, or
 - (b) the time when the programme contractor begins or ceases to provide programmes for broadcasting by the Authority,
- the two parts shall be treated as separate accounting periods.

In paragraph (a) “relevant order” means, in the application of this Schedule in relation to the additional payments mentioned in subsection (1)(b) or (as the case may be) subsection (2)(b) of section 32, an order having effect in relation to those payments.

- (3) Where two parts of such a period as is mentioned in sub-paragraph (1) fall to be divided from each other under sub-paragraph (2)(a), section 32(4) shall have effect as if the profits and advertising revenue for each part were the profits and advertising revenue for the whole multiplied by—

$$\frac{X}{X + Y}$$

where X and Y are respectively the number of weeks in that part and the number of weeks in the other part, counting (in each case) an odd four days or more as a week.

- (4) If sub-paragraph (2)(b) would produce an accounting period of three months or less, that period shall be added on to the accounting period (if any) which precedes or succeeds it (and which does not fall to be divided from it under sub-paragraph (2)(b)).
- (5) A contract which varies another contract may modify the preceding provisions of this paragraph.
- (6) Nothing in this paragraph shall create an accounting period during which the programme contractor is not providing programmes for broadcasting by the Authority.
- 7 If a programme contractor is not a body corporate the contractor’s accounting periods shall be such as the Authority may direct, or as may be provided in the contract.

Information

- 8 (1) Every contract shall impose on the contractor such requirements with respect to the furnishing of information to the Authority as appear to the Authority, after consultation with the Secretary of State, to be requisite—
- (a) for enabling the Authority to perform their functions under the provisions of the principal sections and this Schedule, and
 - (b) for enabling the Authority to furnish to the Secretary of State such information as he may require for the purpose of determining whether, and in what manner, to exercise his powers of making orders under the said provisions.
- (2) Without prejudice to the generality of sub-paragraph (1), the duty imposed on the Authority by that sub-paragraph includes the duty to impose, so far as is reasonably practicable, such requirements as will enable the Authority to determine the amounts (if any) which, in relation to any programme contractor, are to be treated as advertising revenue and relevant income and relevant expenditure for the computation of profits by virtue, respectively, of paragraphs 1 and 2.

Status: Point in time view as at 17/07/2012.

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- (3) It shall be the duty of the Authority to furnish to the Secretary of State such information (whether obtained from contractors or otherwise) as is in their possession and is required by the Secretary of State for the purpose of determining whether, and in what manner, to exercise his powers of making orders under the said provisions.
- 9 It shall be the duty of the Authority in framing any contract to include terms ensuring that the Authority will have the right to inspect accounts and records—
- (a) of the programme contractor, and
 - (b) of any subsidiary of the programme contractor,
- for the purpose of discharging their functions under the principal sections and this Schedule.

Interpretation

- 10 (1) In this Schedule, and in the principal sections, except where the context otherwise requires—
- “accounting period” shall be construed in accordance with paragraph 6;
- “additional payments” and “contract”—
- (a) in the application of this Schedule and the principal sections in relation to the additional payments mentioned in section 32(1)(b), mean respectively additional payments payable by virtue of that paragraph and a contract between the Authority and a programme contractor under which television programmes are to be provided by the programme contractor, and
 - (b) in their application in relation to the additional payments mentioned in section 32(2)(b), mean respectively additional payments payable by virtue of that paragraph and a contract between the Authority and a programme contractor under which local sound broadcasts are to be provided by the programme contractor;
- “related”, in relation to a company and a programme contractor, means that another person (whether alone or jointly with one or more persons and whether directly or indirectly) holds, or is beneficially entitled to, 50 per cent or more of the equity share capital, or possesses 50 per cent or more of the voting power, in the company and in the programme contractor and “holding company” means that other person; and
- “subsidiary”, in relation to any person, means a company in which that person (whether alone or jointly with one or more persons and whether directly or indirectly) holds, or is beneficially entitled to, 10 per cent or more of the equity share capital, or possesses 10 per cent or more of the voting power.
- (2) In this Schedule “payment” includes any valuable consideration, and references to revenue and receipts and expenditure shall be construed accordingly.”

PART III

TRANSITIONAL PROVISIONS

- 1 (1) In this paragraph—
- “new statutory provisions” means the provisions of the ^{M16}Broadcasting Act 1981 as amended by this Act; and

Status: Point in time view as at 17/07/2012.

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“existing statutory provisions” means the provisions of that Act as they had effect immediately before the coming into force of section 181.

- (2) Any contract between the Authority and a programme contractor which is in force immediately before the day on which section 181 of this Act comes into force shall, until it is varied or superseded by a further contract between them or expires or is otherwise terminated (whichever first occurs), be deemed to be modified by virtue of this Schedule so as—
- (a) to substitute provisions in conformity with the new statutory provisions for so much of the contract as is in accordance with the existing statutory provisions and is not in conformity with the new statutory provisions, and
 - (b) to incorporate in the contract such additional provisions as a contract between the Authority and a programme contractor is required to include in accordance with the new statutory provisions;
- and (subject to paragraph 5 of Schedule 4 to the 1981 Act) any provisions of the contract which provide for arbitration as to any matters contained in the contract in accordance with the existing statutory provisions shall be construed as making the like provision for arbitration in relation to matters deemed to be included in the contract by virtue of this sub-paragraph.
- (3) Where it appears to the Authority that the new statutory provisions call for the inclusion of additional terms in any such contract, but do not afford sufficient particulars of what those terms should be, the Authority may, after consulting the programme contractor, decide what those terms are to be.
- (4) This paragraph shall not be taken to have effect in relation to any contract entered into by a programme contractor and any person other than the Authority before the day on which section 181 of this Act comes into force.

Marginal Citations

M16 1981 c. 68.

2 Where any accounting period of a programme contractor begins before 1st January 1990 and ends after 31st December 1989, the additional payments payable by the programme contractor in relation to that accounting period under section 32 of the ^{M17}Broadcasting Act 1981 shall be the aggregate of—

- (a) the amounts payable by him on the assumption that section 181 of this Act was not in force at any time during the accounting period, multiplied by—

$$\frac{X}{X + Y},$$

and

- (b) the amounts payable by him on the assumption that that section was in force throughout the accounting period, multiplied by—

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$$\frac{Y}{X + Y};$$

where (taking any odd four days or more as a week)—

X is the number of weeks in the accounting period falling before 1st January 1990, and

Y is the number of weeks in the accounting period falling after 31st December 1989.

Marginal Citations

M17 1981 c. 68.

3 Where, under the existing statutory provisions, any excess of first category expenditure over first category income of a programme contractor would have been carried forward and treated as relevant first category expenditure of his for an accounting period ending after 31st December 1989 if those provisions had applied in relation to that period then the excess shall be carried forward and treated, under the new statutory provisions, as relevant expenditure of the contractor for any accounting period which ends after that date.

4 In this Part of this Schedule, references to programme contractors shall be read as including references to teletext contractors.]

SCHEDULE 17

Section 187.

REPEALS

PART I

CUSTOMS AND EXCISE

1979 c. 2.	The Customs and Excise Management Act 1979.	Section 17(5)(a). Section 147(1).
1979 c. 4.	The Alcoholic Liquor Duties Act 1979.	Section 73.
1988 c. 39.	The Finance Act 1988.	Section 11(2).

The repeals of section 147(1) of the Customs and Excise Management Act 1979 and section 11(2) of the Finance Act 1988 have effect in relation to offences committed on or after the day on which this Act is passed.

F101 PART II

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Status: Point in time view as at 17/07/2012.

Changes to legislation: Finance Act 1989 is up to date with all changes known to be in force on or before 29 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

F101 Sch. 17 Pt. II repealed (20.7.1998) by S.I. 1998/1446, art. 30(2), Sch. 2 Pt. I

PART III

VALUE ADDED TAX

1983 c. 55.	The Value Added Tax Act 1983.	In Schedule 5, Group 6 and, in Group 8A, Note (5).
1984 c. 43.	The Finance Act 1984.	In Schedule 6, Part II.
S.I. 1986/704.	The Value Added Tax (Land) Order 1986.	The whole Order.
S.I. 1986/716.	The Value Added Tax (Land) (No.2) Order 1986.	The whole Order.
S.I. 1987 /1072.	The Value Added Tax (Construction of Buildings) (No.2) Order 1987.	Article 2.

1	The repeal of Group 6 of Schedule 5 to the Value Added Tax Act 1983 has effect in relation to supplies made on or after 1st April 1989.	
2	The remaining repeals have effect in accordance with Schedule 3 to this Act.	

PART IV

INCOME AND CORPORATION TAX: GENERAL

1970 c. 9.	The Taxes Management Act 1970.	In section 15(11), paragraph (b) and the word “and” preceding it.
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In section 131(2), the words “for the same or another chargeable period”. In section 149(1), the words “for that period” and the words “for that or any other period”. Section 170. Section 175(3). In section 176(1), the words “(but not more than six months)”. In section 178(2), paragraph (b) and the word “or” preceding it. Section 203(4). In section 231, in subsection (4) the words “and where” onwards, and subsection (5). Section

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1988 c. 39.	The Finance Act 1988.	<p>433. Section 434(4) and(5). Section 435. Section 436(3)(b). Section 507(2). In section 590(3)(d), the words “(disregarding any excess of that remuneration over the permitted maximum)”. Section 595(2) and (3). In section 596(3)(a), the word “either” and the words “or subsection (2)”. In section 600(1), the words “or have been” and the words “or has at any time been”. Section 635(4). In section 645, in subsection (3), the word “and” following paragraph (a) and subsection (5). In section 655(5), the words “in cases where the applications are made before 1st February 1990”. Section 769(7)(b) and (c). In section 824(10), the definition of “United Kingdom estate”. In Schedule 8, in paragraph 7(1), the words “, or is an associate of a person who has,”; in paragraph 13, in subparagraph (1) the word “fixed” and subparagraphs (2) and (3); and, in paragraph 14, subparagraph (2), in subparagraph (5) the words “specified in, or” and subparagraph (7). In Schedule 9, in paragraph 10, paragraph (ii) of subparagraph (c) and the word “and” preceding it. In Schedule 23, paragraph 8.</p> <p>In section 68(1), the words from “at the fixed price” to “tendered”.</p>
1	The repeals in sections 131 and 149 and of section 170 of the Income and Corporation Taxes Act 1988 have effect in accordance with section 42 of this Act.	
2	The repeals in sections 231 and 824 of the Income and Corporation Taxes Act 1988 have effect in accordance with sections 110 and 111 of this Act.	

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- 3 The repeals in sections 433 to 435 of the Income and Corporation Taxes Act 1988 have effect in accordance with section 84(5) of this Act and the repeal of section 436(3)(b) of that Act has effect in accordance with section 87(5) of this Act.
- 4 The repeals in sections 590, 595, 596 and 600 of, and in Schedule 23 to, the Income and Corporation Taxes Act 1988 have effect in accordance with Schedule 6 to this Act.
- 5 The repeals in sections 635, 645 and 655 of the Income and Corporation Taxes Act 1988 have effect in accordance with Schedule 7 to this Act.
- 6 The repeal of section 769(7)(b) and (c) of the Income and Corporation Taxes Act 1988 has effect in accordance with section 100 of this Act.
- 7 The repeal in the Finance Act 1988 has effect in relation to offers made on or after 11th October 1988.

PART V

CLOSE COMPANIES

Modifications etc. (not altering text)

C22 Sch. 17 Pt. V restricted (*retrospectively*) by 1993 c. 34, s. 79(2)(a)

1970 c. 9.	The Taxes Management Act 1970.	Section 29(2). In section 31(3)(b), the words “426,”. In the Table in section 98, in the first column, the reference to paragraph 17 of Schedule 19 to the principal Act. In Schedule 3, in rule 8, the words from “or relating” to “Schedule 19 to the principal Act”.
1972 c. 41.	The Finance Act 1972.	In Schedule 24, paragraph 6.
1979 c. 14.	The Capital Gains Tax Act 1979.	In section 89(1), paragraph (b) and the word “or” preceding it.
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In section 127(3), paragraph (b) and the word “or” preceding it. In section 230, the word “either”, the words from “or to” to “Schedule 19” and the words “in either case”. In section 239(7), the words “subsections (5) to (7) of section 430 and”. In section 249(3), the words “and paragraph 12(1) to

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(3) of Schedule 19”. In section 250(7), the words “and paragraph 12 of Schedule 19”. Section 414(3). In section 416(1), the words from “except” to “Schedule 19”. Sections 423 to 430. In section 539(1), the words “including tax under section 426”. In section 681, in subsection (1), paragraph (b) and the word “and” preceding it and subsections (2) and (3). Section 686(3) and (4). Section 687(3)(b) and (c). In section 701(8), the words “426(3)”. Section 742(9)(d) and (10). In section 825(1)(a), the words from “and any” to “430(7)(a)”. In Schedule 4, paragraph 10(3). In Schedule 8, in paragraph 7(3), the second “and”. Schedule 19. In Schedule 29, in the Table in paragraph 32, the entries relating to section 29(2) of the Taxes Management Act 1970 and sections 89(1)(b) and 136(10)(b) of the Capital Gains Tax Act 1979.

1988 c. 39.

The Finance Act 1988.

Section 102(2)(a).

- 1 The repeal in section 98 of the Taxes Management Act 1970 and the repeal of paragraph 17 of Schedule 19 to the Income and Corporation Taxes Act 1988 have effect on and after the day on which this Act is passed.
- 2 The repeal in section 89 of the Capital Gains Tax Act 1979 (and the corresponding repeal in Schedule 29 to the Income and Corporation Taxes Act 1988) have effect where the due date of issue of the share capital issued to a close company falls in an accounting period of the company beginning after 31st March 1989.
- 3 The repeal of section 414(3) of the Income and Corporation Taxes Act 1988 has effect from 1st April 1989.
- 4 The repeal of sections 423 to 430 of, and Schedule 19 to, the Income and Corporation Taxes Act 1988 has effect in accordance with section 103 of this Act.
- 5 The repeals in section 681 of the Income and Corporation Taxes Act 1988 have effect in relation to the income of bodies corporate for accounting periods beginning after 31st March 1989.
- 6 The remaining repeals have effect in relation to accounting periods beginning after 31st March 1989.

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PART VI

CAPITAL ALLOWANCES

1968 c. 3.	The Capital Allowances Act 1968.	Section 9(b).Section 14.Section 50.Section 67(11).In section 68, insubsections (1) and (3), the words “or forestry”, in each place wherethey occur, and in subsection (2), the words “and forestryincome”.Section 80.In section 87(4), the words “or forestry”, in bothplaces where they occur.In section 92(5), the words “allowed or” and thewords “balancing allowance or”.Section 93(1) and (2).Schedule 8.
1971 c. 68.	The Finance Act 1971.	In Schedule 8, paragraph 2 and, in paragraph 7, in sub-paragraph (1) thewords “Subject to sub-paragraph (2) below” and the words from “byreason of” to the end of paragraph (b) and sub-paragraph (2).
1978 c. 42.	The Finance Act 1978.	In Schedule 6, paragraph 8.
1980 c. 48.	The Finance Act 1980.	In section 74(6), the words from the beginning to “and”.In section75(6), the words from the beginning to “and”.
1982 c. 39.	The Finance Act 1982.	In Schedule 12, paragraph 11.
1986 c. 41.	The Finance Act 1986.	Section 56(5).In Schedule 15, in paragraphs 1 to 3, the words “orforestry”, in each place where they occur, in paragraph 7(3), the words “subject to paragraph 9 below”, and in paragraph 11, the words “andforestry income” and the words “or forestry income”.
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In section 521(5), the words “within the terms of section 839”.

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- 1 The repeal in paragraph 7(1)(b) of Schedule 8 to the Finance Act 1971 has effect in cases where machinery or plant is brought into use on or after the day on which this Act is passed.
- 2 The repeals in sections 68 and 87(4) of the Capital Allowances Act 1968 and in paragraphs 1 to 3 and 11 of Schedule 15 to the Finance Act 1986 have effect in relation to chargeable periods beginning on or after 6th April 1993.
- 3 The repeal in section 521(5) of the Income and Corporation Taxes Act 1988 has effect in accordance with paragraph 27 of Schedule 13 to this Act.
- 4 The repeals of the provisions listed in sub-paragraph (5) of paragraph 28 of Schedule 13 to this Act have effect in accordance with that paragraph.

PART VII

CAPITAL GAINS

1973 c. 51.	The Finance Act 1973.	In section 38(3B)(a), the words “within the period of two years ending at the date of the disposal”.
1979 c. 14.	The Capital Gains Tax Act 1979.	Section 126(7)(b). Section 142A(5)(c). In Schedule 4, in paragraph 1(2), the words “at the rate of 50 per cent.”, in paragraph 3(1), the words from “by virtue” to “(settled property)”, in paragraph 3(2), the words “at the rate of 50 per cent.” and in paragraph 4(4), the words “(taking account” onwards.
1980 c. 48.	The Finance Act 1980.	Section 79.
1981 c. 35.	The Finance Act 1981.	Section 78. Section 96(3)(e) and (4).
1982 c. 39.	The Finance Act 1982.	Sections 81 and 82.
1984 c. 43.	The Finance Act 1984.	Section 64(2)(a).
1984 c. 51.	The Inheritance Tax Act 1984.	In section 97(2), the words from “and in this section” to the end.
1985 c. 54.	The Finance Act 1985.	In section 70(10), paragraph (a) and the word “and” following it.
1986 c. 41.	The Finance Act 1986.	In section 58(2), paragraph (b) and the word “and” preceding it. Section 101(2).

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1987 c. 51.	The Finance (No.2) Act 1987.	Section 78.
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In Schedule 29, in the Table in paragraph 32, the entry relating to section 126(7) of the Capital Gains Tax Act 1979.

- 1 The repeal in the Finance Act 1973 has effect in accordance with section 130 of this Act.
- 2 The repeal in section 142A of the Capital Gains Tax Act 1979 has effect in accordance with section 92 of this Act.
- 3 The repeal of section 81 of the Finance Act 1982 has effect in relation to disposals on or after 6th April 1989 or, in the case of section 81(1)(b), assets acquired on or after that date.
- 4 The repeal of section 64(2)(a) of the Finance Act 1984 has effect in accordance with section 139(1) of this Act.
- 5 The repeal in section 97(2) of the Inheritance Tax Act 1984 has effect in accordance with section 138(7) of this Act.
- 6 The repeal in the Finance (No.2) Act 1987 has effect in accordance with section 140 of this Act.
- 7 The remaining repeals have effect in relation to disposals on or after 14th March 1989 (except that they shall not have effect in relation to such a disposal in a case where the enactment in question operates in consequence of relief having been given under section 79 of the Finance Act 1980 in respect of a disposal made before that date).

PART VIII

MANAGEMENT

1970 c. 9.	The Taxes Management Act 1970.	Section 16(6). In section 20, subsections (4) and (5) and, in subsection (6), the words “and in relation” onwards. In section 20B(7), the words from “to a person” to “daughter”. Sections 37 to 39. In section 40(2), the words “Subject to section 41 below,”. Section 41. In section 53(1), the words “and the reference” onwards. In section 61(5), the words “within the said five days” and the words from “The costs” to “the collector, and”. Section 62(3), so far
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		as unrepealed. Section 64(3), so far as unrepealed. Section 70(5). Section 86(6). Section 87(4) and (5). In section 98, in the Table, in column 1, in the entry relating to Part III of the Taxes Management Act 1970, the words “, except sections 16 and 24(2)” and the entry relating to section 481(5)(k) of the Income and Corporation Taxes Act 1988. In section 118(1), the definition of “neglect”.
1973 c. 51.	The Finance Act 1973.	In Schedule 16A, paragraph 10.
1975 c. 45.	The Finance (No.2) Act 1975.	In section 47(1), the words “of not less than £25”.
1976 c. 24.	The Development Land Tax Act 1976.	In Schedule 8, paragraphs 17 and 18, so far as unrepealed.
1980 c. 48.	The Finance Act 1980.	Section 62.
1982 c. 39.	The Finance Act 1982.	Section 69.
1987 c. 51.	The Finance (No.2) Act 1987.	In section 84, subsections (1) to (3) and (5) to (8).
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In section 824, in subsections (1)(a) and (b), the words “of not less than £25” and, in subsection (5), the words “of not less than £25” and paragraph (b) and the word “and” preceding it. In section 825(2), the words “of not less than £100”. In Schedule 19A, paragraph 10.
1988 c. 39.	The Finance Act 1988.	In section 126, subsection (1) and, in subsection (4)(b), the words “and(9)”. In Schedule 3, paragraph 29.
1989 c. 26.	The Finance Act 1989.	Section 165(2).

1 The repeals in sections 16, 53 and 98 of the Taxes Management Act 1970 have effect in accordance with section 164 of this Act.

2 The repeals in sections 20 and 20B of the Taxes Management Act 1970 and section 126 of the Finance Act 1988 have effect with respect to notices given, or warrants issued, on or after the day on which this Act is passed.

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- 3 The repeals of sections 37 to 39, in section 40, of section 41 and in section 118 of the Taxes Management Act 1970 and in Schedule 3 to the Finance Act 1988 have effect in accordance with section 149 of this Act.
- 4 The repeals in section 61 of the Taxes Management Act 1970 come into force on the day appointed under section 152(7) of this Act.
- 5 The repeals in sections 86 and 87 of the Taxes Management Act 1970, the Finance (No.2) Act 1975, the Finance Act 1980 and sections 824 and 825 of the Income and Corporation Taxes Act 1988 have effect in accordance with section 158 of this Act.
- 6 The repeal in the Finance Act 1982 has effect in accordance with section 156(4) of this Act.
- 7 The repeal of subsection (2) of section 165 of this Act has effect in relation to failures beginning on or after the day appointed under that subsection.

PART IX

STAMP DUTY: INSURANCE

54 & 55 Vict. c. 39.	The Stamp Act 1891.	Section 91. Section 98(1). Section 100. Section 118. In Schedule 1, paragraph (3) of the heading beginning “Bond, Covenant, or Instrument of any kind whatsoever”, the whole of the heading beginning “Insurance”, and the whole of the heading beginning “Policy of Life Insurance”.
4 & 5 Eliz. 2 c. 54.	The Finance Act 1956.	Section 38.
4 & 5 Eliz. 2 c. 11 (N.I.).	The Finance Act (Northern Ireland) 1956.	Section 6.
7 & 8 Eliz. 2 c. 58.	The Finance Act 1959.	In section 30(4), the words preceding paragraph (a) and the words following paragraph (c).
7 & 8 Eliz. 2 c. 9 (N.I.).	The Finance Act (Northern Ireland) 1959.	In section 5(4), the words preceding paragraph (a) and the words following paragraph (c).
1966 c. 18.	The Finance Act 1966.	Section 47.
1966 c. 21 (N.I.).	The Finance Act (Northern Ireland) 1966.	Section 5.
1970 c. 24.	The Finance Act 1970.	In Schedule 7, paragraphs 7(4) and 17.

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1970 c. 21 (N.I.).	The Finance Act (Northern Ireland) 1970.	In Schedule 2, paragraphs 7(4) and 17.
1982 c. 39.	The Finance Act 1982.	Section 130.
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In Schedule 14, in paragraph 3(4) the words from “and section 100” to the end.

These repeals have effect in accordance with section 173 of this Act.

PART X

RATES OF INTEREST

1970 c. 9.	The Taxes Management Act 1970.	Section 89.
1970 c. 24.	The Finance Act 1970.	Section 30.
1970 c. 21 (N.I.).	The Finance Act (Northern Ireland) 1970.	Section 1(1) and (2).
1973 c. 51.	The Finance Act 1973.	In Schedule 16A, in paragraph 3(4), paragraph (a) and the word “and” following it and the words “they apply”.
1975 c. 22.	The Oil Taxation Act 1975.	In Schedule 2, in the Table in paragraph 1, the entry relating to section 89 of the Taxes Management Act 1970.
1975 c. 45.	The Finance (No.2) Act 1975.	Section 47(2).
1980 c. 1.	The Petroleum Revenue Tax Act 1980.	Section 2(3).
1984 c. 51.	The Inheritance Tax Act 1984.	Section 233(2) and (4).
1986 c. 41.	The Finance Act 1986.	Section 92(4) and (5). In Schedule 19, paragraph 32.
1987 c. 51.	The Finance (No.2) Act 1987.	Section 89.
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In section 824, subsection (1A), in subsection (2) the words “and(1A)” and in subsection (6) the words “Without prejudice to subsection(1A) above”. In section 825, subsection (2A)

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		and in subsection (5) the words “Without prejudice to subsection (2A) above”. In Schedule 19A, in paragraph 3(4), paragraph (a) and the word “and” following it and the words “they apply”.
1988 c. 39.	The Finance Act 1988.	In Schedule 13, paragraphs 7(b) and (f) and 8.

These repeals have effect in accordance with section 178(7) of this Act.

PART XI

BROADCASTING

1981 c. 68.	The Broadcasting Act 1981.	Section 32(4A). In section 35(1)(b)(ii), the words “in the case of second category profits,”.
1982 c. 39.	The Finance Act 1982.	In section 144, subsections (1), (2), (4) and (5).
1984 c. 46.	The Cable and Broadcasting Act 1984.	Section 40(2). In Schedule 5, in paragraph 40, subparagraphs (7), (8) and (9).
1986 c. 41.	The Finance Act 1986.	In Schedule 22, paragraph 1, and paragraphs 4 to 8.

These repeals have effect on 1st January 1990.

PART XII

GOVERNMENT STOCK: REDEMPTION

11 and 12 Geo. 5 c. 32.	The Finance Act 1921.	Sections 50 and 51. Schedule 3.
5 and 6 Geo. 6 c. 21.	The Finance Act 1942.	In Schedule 11, in Part II, the amendments of the Finance Act 1921.
9 and 10 Geo. 6 c. 64.	The Finance Act 1946.	Section 66.
1969 c. 48.	The Post Office Act 1969.	Section 108(1)(c).
1982 c. 41.	The Stock Transfer Act 1982.	Section 4.

So far as relating to stock registered in the National Savings Stock Register these repeals have effect on the coming into force of the first regulations made by virtue of section 3(1)(bb) of the

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National Debt Act 1972 and so far as relating to other stock and bonds they have effect on the coming into force of the first regulations made by virtue of section 47(1)(bb) of the Finance Act 1942.

PART XIII

NATIONAL SAVINGS

1971 c. 29.	The National Savings Bank Act 1971.	Section 5(2), (5), (6) and (7). In section 26(2), paragraph (b) and the word “or” preceding it.
1982 c. 39.	The Finance Act 1982.	In Schedule 20, paragraph 4(2).

These repeals, apart from the repeal of section 5(2), (5) and (6) of the National Savings Bank Act 1971, come into force on 1st October 1989.

PART XIV

TITHE REDEMPTION

26 Geo. 5 & 1 Edw. 8 c. 43.	The Tithe Act 1936.	Section 2(1). In section 4(2), in paragraph (a) the words “the amount” onwards. Section 7. Part II. Section 31(7). In section 47(1), the definition of “interest date”. In section 47(4), the words “of any stock, or”. In Schedule 7, paragraph 3(a) of Part I, Part II, and paragraph 2 of Part III.
5 & 6 Geo. 6 c. 21.	The Finance Act 1942.	In Schedule 11, in Part I the entry relating to Redemption Stock and in Part II the amendment of the Tithe Act 1936.
14 & 15 Geo. 6 c. 62.	The Tithe Act 1951.	In section 8(2), the words from “which” to “Act”, and the words “and appended” onwards.
6 & 7 Eliz. 2 c. 55.	The Local Government Act 1958.	In Schedule 8, paragraph 15.
1968 c. 13.	The National Loans Act 1968.	In section 16(7), the words “Part II of the Tithe Act 1936”. Section 16(9)(a). In section 22(3), the words

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		“Part II of the Tithe Act 1936”. In Schedule 1, the entries relating to section 26 of the Tithe Act 1936.
1972 c. 65.	The National Debt Act 1972.	In section 15(1), the words “section 24 of the Tithe Act 1936”.
1979 c. 14.	The Capital Gains Tax Act 1979.	In Schedule 2, in Part II, the entry relating to securities issued under Part II of the Tithe Act 1936.

These repeals have effect from the day appointed under section 187(2) of this Act.

Status:

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