



# Finance Act 1990

## 1990 CHAPTER 29

### PART I

#### CUSTOMS AND EXCISE AND VALUE ADDED TAX

#### CHAPTER I

#### CUSTOMS AND EXCISE

#### *Rates of duty*

### **1 Spirits, beer, wine, made-wine and cider.**

- (1) In section 5 of the <sup>M1</sup>Alcoholic Liquor Duties Act 1979 (spirits) for “£15.77” there shall be substituted “ £17.35 ”.
- (2) In section 36 of that Act (beer) for “£0.90” there shall be substituted “ £0.97 ”.
- (3) For the Table of rates of duty in Schedule 1 to that Act (wine and made-wine) there shall be substituted the Table in Schedule 1 to this Act.
- (4) In section 62(1) of that Act (cider) for “£17.33” there shall be substituted “ £18.66 ”.
- (5) This section shall be deemed to have come into force at 6 o’clock in the evening of 20th March 1990.

#### **Marginal Citations**

**M1** 1979 c. 4.

*Status: Point in time view as at 31/07/1998.*

*Changes to legislation: Finance Act 1990 is up to date with all changes known to be in force on or before 28 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)*

## 2 Tobacco products.

- (1) For the Table in Schedule 1 to the <sup>M2</sup>Tobacco Products Duty Act 1979 there shall be substituted—

“ TABLE

1. Cigarettes	An amount equal to 21 per cent. of the retail price plus £34.91 per thousand cigarettes.
2. Cigars	£53.67 per kilogram.
3. Hand-rolling tobacco	£56.63 per kilogram.
4. Other smoking tobacco and chewing tobacco	£24.95 per kilogram.”

- (2) This section shall be deemed to have come into force on 23rd March 1990.

**Marginal Citations**

**M2** 1979 c. 7.

## 3 Hydrocarbon oil.

- (1) In section 6 of the <sup>M3</sup>Hydrocarbon Oil Duties Act 1979—
- (a) in subsection (1), for “£0.2044” (duty on light oil) and “£0.1729” (duty on heavy oil) there shall be substituted “ £0.2248 ” and “ £0.1902 ” respectively; and
  - (b) subsection (2A) (special rate of duty on petrol below 4 star) shall cease to have effect.
- (2) In section 11(1) of that Act, for “£0.0077” (rebate on fuel oil) and “£0.0110” (rebate on gas oil) there shall be substituted “ £0.0083 ” and “ £0.0118 ” respectively.
- (3) In section 13A(1) of that Act (rebate on unleaded petrol), for “£0.0272” there shall be substituted “ £0.0299 ”.
- (4) In section 14(1) of that Act (rebate on light oil for use as furnace fuel), for “£0.0077” there shall be substituted “ £0.0083 ”.
- (5) In Part I of Schedule 3 to that Act, for paragraph 10A there shall be substituted—

“10A Amending the definition of “aviation gasoline” in subsection (4) of section 6 of this Act.”

- (6) Subsections (1) to (4) above shall be deemed to have come into force at 6 o’clock in the evening of 20th March 1990.

**Marginal Citations**

**M3** 1979 c. 5.

*Status: Point in time view as at 31/07/1998.*

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#### 4 Pool betting duty.

- (1) In section 7(1) of the <sup>M4</sup>Betting and Gaming Duties Act 1981 (which specifies 42½ per cent. as the rate of pool betting duty), for the words “42½ per cent.” there shall be substituted the words “40 per cent.”.
- (2) This section shall apply in relation to bets made at any time by reference to an event taking place on or after 6th April 1990.

#### Marginal Citations

M4 1981 c. 63.

#### 5 Vehicles excise duty.

- F1(1) .....
- F1(2) .....
- F1(3) .....
- F2(4) .....
- F3(5) .....
- F2(6) .....
- F4(7) .....
- F1(8) .....
- F1(9) .....

#### Textual Amendments

- F1 S. 5(1)-(3)(8)(9) repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4), Sch. 4 para. 6)
- F2 S. 5(4)(6) repealed(1.10.1991) by Finance Act 1991 (c. 31, SIF 107:2), ss. 10, 123, **Sch. 19 Pt. IV**; S.I. 1991/2021, **art. 2**.
- F3 S. 5(5) repealed (8.11.1993) by S.I. 1993/2452, art. 3, **Sch. 2**.
- F4 S. 5(7) repealed (27.07.1993) by 1993 c. 34, s. 213, **Sch. 23**, Pt. I.

#### Other provisions

- F56 .....

#### Textual Amendments

- F5 S. 6 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4), Sch. 4 para. 6)

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**7 Entry of goods on importation.**

Schedule 3 to this Act (which amends the provisions of the <sup>M5</sup>Customs and Excise Management Act 1979 about initial and supplementary entries and postponed entry) shall have effect in relation to goods imported on or after the day on which this Act is passed.

**Marginal Citations**

**M5** 1979 c. 2.

**8 Spirits methylated abroad.**

(1) In section 4(1) of the <sup>M6</sup>Alcoholic Liquor Duties Act 1979, for the definition of “methylated spirits” there shall be substituted—

““methylated spirits” means—

- (a) spirits mixed in the United Kingdom with some other substance in accordance with regulations made under section 77 below; or
- (b) spirits mixed outside the United Kingdom with some other substance if the spirits and other substance, and the proportions in which they are mixed, are such as are prescribed by those regulations for the production of methylated spirits in the United Kingdom;”.

(2) This section shall come into force on 1st January 1991.

**Marginal Citations**

**M6** 1979 c. 4.

**9 Lodgings for officers in charge of distillery.**

In section 12 of the Alcoholic Liquor Duties Act 1979 (licence to manufacture spirits) subsections (6) to (9) (requirement that distiller provide lodgings for officers in charge of distillery) shall cease to have effect.

**CHAPTER II**

**VALUE ADDED TAX**

**F6**<sup>10</sup> .....

**Textual Amendments**

**F6** Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), **Sch. 15**

**F7**<sup>11</sup> .....

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**Textual Amendments**

**F7** Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), **Sch. 15**

**F8** **12** .....

**Textual Amendments**

**F8** Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), **Sch. 15**

**F9** **13** .....

**Textual Amendments**

**F9** Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), **Sch. 15**

**F10** **14** .....

**Textual Amendments**

**F10** Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), **Sch. 15**

**F11** **15** .....

**Textual Amendments**

**F11** Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), **Sch. 15**

**F12** **16** .....

**Textual Amendments**

**F12** Ss. 10-16 repealed (1.9.1994) by 1994 c. 23, ss. 100(2), 101(1), **Sch. 15**

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## PART II

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

#### CHAPTER I

##### GENERAL

###### *Income tax rates and allowances*

#### 17 Rates and main allowances.

- (1) Income tax shall be charged for the year 1990-91, and—
- (a) the basic rate shall be 25 per cent.;
  - (b) the basic rate limit shall be £20,700;
  - (c) the higher rate shall be 40 per cent.; and
  - (d) section 1(4) of the Taxes Act 1988 (indexation of basic rate limit) shall not apply.

<sup>F13</sup>(2) .....

- (3) In section 828 of that Act (orders and regulations), in subsection (4), for “257(11)” there shall be substituted “ 257C ”.
- (4) Subsections (2) and (3) above shall have effect for the year 1990-91 and subsequent years of assessment.

#### **Textual Amendments**

**F13** S. 17(2) repealed (27.07.1993 with effect for the year 1994-95 and subsequent years of assessment) by 1993 c. 34, ss. 107, 213, **Sch. 23**, Pt. III(10).

#### 18 Relief for blind persons.

In section 265(1) of the Taxes Act 1988, for “£540” there shall be substituted “ £1,080 ”.

###### *Corporation tax rates*

#### 19 Charge and rate of corporation tax for 1990.

Corporation tax shall be charged for the financial year 1990 at the rate of 35 per cent.

#### **Modifications etc. (not altering text)**

**C1** S. 19 excluded by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), s. 23(1).

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## 20 Small companies.

- (1) For the financial year 1990—
  - (a) the small companies' rate shall be 25 per cent., and
  - (b) the fraction mentioned in section 13(2) of the Taxes Act 1988 (marginal relief for small companies) shall be one-fortieth.
- (2) In section 13(3) of that Act (limits of marginal relief), in paragraphs (a) and (b)—
  - (a) for “£150,000” there shall be substituted “ £200,000 ”, and
  - (b) for “£750,000” there shall be substituted “ £1,000,000 ”.
- (3) Subsection (2) above shall have effect for the financial year 1990 and subsequent financial years; and where by virtue of that subsection section 13 of the Taxes Act 1988 has effect with different relevant maximum amounts in relation to different parts of a company's accounting period, then for the purposes of that section those parts shall be treated as if they were separate accounting periods and the profits and basic profits of the company for that period shall be apportioned between those parts.

### Modifications etc. (not altering text)

C2 S. 20 excluded by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), s. 23(2).

### *Benefits in kind*

## 21 Care for children.

- (1) The following section shall be inserted after section 155 of the Taxes Act 1988—

### “155A Care for children.

- (1) Where a benefit consists in the provision for the employee of care for a child, section 154 does not apply to the benefit to the extent that it is provided in qualifying circumstances.
- (2) For the purposes of subsection (1) above the benefit is provided in qualifying circumstances if—
  - (a) the child falls within subsection (3) below,
  - (b) the care is provided on premises which are not domestic premises,
  - (c) the condition set out in subsection (4) below or the condition set out in subsection (5) below (or each of them) is fulfilled, and
  - (d) in a case where the registration requirement applies, it is met.
- (3) The child falls within this subsection if—
  - (a) he is a child for whom the employee has parental responsibility,
  - (b) he is resident with the employee, or
  - (c) he is a child of the employee and maintained at his expense.
- (4) The condition is that the care is provided on premises which are made available by the employer alone.
- (5) The condition is that—

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- (a) the care is provided under arrangements made by persons who include the employer,
  - (b) the care is provided on premises which are made available by one or more of those persons, and
  - (c) under the arrangements the employer is wholly or partly responsible for financing and managing the provision of the care.
- (6) The registration requirement applies where—
- (a) the premises on which the care is provided are required to be registered under section 1 of the Nurseries and Child-Minders Regulation Act 1948 or section 11 of the Children and Young Persons Act (Northern Ireland) 1968, or
  - (b) any person providing the care is required to be registered under section 71 of the Children Act 1989 with respect to the premises on which it is provided;
- and the requirement is met if the premises are so registered or (as the case may be) the person is so registered.
- (7) In subsection (3)(c) above the reference to a child of the employee includes a reference to a stepchild of his.
- (8) In this section—
- “care” means any form of care or supervised activity, whether or not provided on a regular basis, but excluding supervised activity provided primarily for educational purposes;
  - “child” means a person under the age of eighteen;
  - “domestic premises” means any premises wholly or mainly used as a private dwelling;
  - “parental responsibility” has the meaning given in section 3(1) of the Children Act 1989.”
- (2) In section 154(2) of the Taxes Act 1988 for the words “section 155” there shall be substituted the words “ sections 155 and 155A ”.
- (3) This section applies for the year 1990-91 and subsequent years of assessment.

## **22 Car benefits.**

- (1) In Schedule 6 to the Taxes Act 1988 (taxation of directors and others in respect of cars) for Part I (tables of flat rate cash equivalents) there shall be substituted—



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**“PART I**

**TABLES OF FLAT RATE CASH EQUIVALENTS**

**Table A**

***CARS WITH AN ORIGINAL MARKET VALUE UP TO £19,250 AND HAVING A CYLINDER CAPACITY***

<b><i>Cylinder capacity of car in cubic centimetres</i></b>	<b><i>Age of car at end of relevant year of assessment</i></b>	
	<b><i>Under 4 years</i></b>	<b><i>4 years or more</i></b>
1400 or less	£1,700	£1,150
More than 1400 but not more than 2000	£2,200	£1,500
More than 2000	£3,550	£2,350

**Table B**

***CARS WITH AN ORIGINAL MARKET VALUE UP TO £19,250 AND NOT HAVING A CYLINDER CAPACITY***

<b><i>Original market value of car</i></b>	<b><i>Age of car at end of relevant year of assessment</i></b>	
	<b><i>Under 4 years</i></b>	<b><i>4 years or more</i></b>
Less than £6,000	£1,700	£1,150
£6,000 or more but less than £8,500	£2,200	£1,500
£8,500 or more but not more than £19,250	£3,550	£2,350

**Table C**

***CARS WITH AN ORIGINAL MARKET VALUE OF MORE THAN £19,250***

<b><i>Original market value of car</i></b>	<b><i>Age of car at end of relevant year of assessment</i></b>	
	<b><i>Under 4 years</i></b>	<b><i>4 years or more</i></b>
More than £19,250 but not more than £29,000	£4,600	£3,100
More than £29,000	£7,400	£4,900”

(2) This section shall have effect for the year 1990-91 and subsequent years of assessment.

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### *Mileage allowances*

#### **23 Limit on chargeable mileage profit.**

Schedule 4 to this Act (which contains provisions about sums paid in respect of travelling expenses) shall have effect.

### *Charities*

<sup>F14</sup>24 .....

#### **Textual Amendments**

**F14** S. 24 repealed (27.07.1993 with effect for the year 1993-94 and subsequent years of assessment) by 1993 c. 34, s. 213, **Sch. 23 Pt. III**.

#### **25 Donations to charity by individuals.**

- (1) For the purposes of this section, a gift to a charity by an individual (“the donor”) is a qualifying donation if—
- it is made on or after 1st October 1990,
  - it satisfies the requirements of subsection (2) below, and
  - the donor gives an appropriate certificate in relation to it to the charity.
- (2) A gift satisfies the requirements of this subsection if—
- it takes the form of a payment of a sum of money;
  - it is not subject to a condition as to repayment;
  - it is not a covenanted payment to charity;
  - it does not constitute a sum falling within section 202(2) of the Taxes Act 1988 (payroll deduction scheme);
  - neither the donor nor any person connected with him receives a benefit in consequence of making it or, where the donor or a person connected with him does receive a benefit in consequence of making it, the relevant value in relation to the gift does not exceed two and a half per cent. of the amount of the gift and the amount to be taken into account for the purposes of this paragraph in relation to the gift does not exceed £250;
  - it is not conditional on or associated with, or part of an arrangement involving, the acquisition of property by the charity, otherwise than by way of gift, from the donor or a person connected with him;
  - the sum paid is not less than [<sup>F15</sup>£250];
  - <sup>F16</sup>(h) .....
  - the donor is resident in the United Kingdom at the time the gift is made.
- (3) The reference in subsection (1)(c) above to an appropriate certificate is a reference to a certificate which is in such form as the Board may prescribe and contains statements to the following effect—
- that the gift satisfies the requirements of subsection (2) above, and

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- (b) that, either directly or by deduction from profits or gains brought into charge to tax in the relevant year of assessment, the donor has paid or will pay to the Board income tax of an amount equal to income tax at the basic rate for the relevant year of assessment on the grossed up amount of the gift.
- (4) For the purposes of subsections (2)(e) above and (5) below, the relevant value in relation to a gift is—
  - (a) where there is one benefit received in consequence of making it which is received by the donor or a person connected with him, the value of that benefit;
  - (b) where there is more than one benefit received in consequence of making it which is received by the donor or a person connected with him, the aggregate value of all the benefits received in consequence of making it which are received by the donor or a person connected with him.
- (5) The amount to be taken into account for the purposes of subsection (2)(e) above in relation to a gift to a charity is an amount equal to the aggregate of—
  - (a) the relevant value in relation to the gift, and
  - (b) the relevant value in relation to each gift already made to the charity by the donor in the relevant year of assessment which is a qualifying donation for the purposes of this section.
- (6) Where a gift is a qualifying donation, the Income Tax Acts, except Part IX of the Taxes Act 1988 (annual payments), shall have effect, in their application to the donor, as if the making of the gift were the making of a covenanted payment to charity of an amount equal to the grossed up amount of the gift, being a payment falling to be made at the time the gift is made.
- (7) Where the payment which the donor is treated by virtue of subsection (6) above as making would, if in fact made, be payable wholly or partly out of profits or gains brought into charge to income tax, they shall be assessed and charged with income tax on the donor without distinguishing the payment and in respect of so much of them as is equal to the payment and may be deducted in computing his total income the donor shall be charged at the appropriate rate.
- (8) Where the payment which the donor is treated by virtue of subsection (6) above as making would, if in fact made, not be payable or not be wholly payable out of profits or gains brought into charge to income tax, the donor shall be assessable and chargeable with income tax at the appropriate rate on the payment, or on so much of it as would not be payable out of profits or gains brought into charge to income tax.
- (9) For the purposes of subsections (7) and (8) above the appropriate rate is the basic rate for the year of assessment in which, in accordance with subsection (6) above, the payment falls to be made.
- (10) The receipt by a charity of a gift which is a qualifying donation shall be treated for the purposes of the Tax Acts, in their application to the charity, as the receipt, under deduction of income tax at the basic rate for the relevant year of assessment, of an annual payment of an amount equal to the grossed up amount of the gift.
- (11) Section 839 of the Taxes Act 1988 applies for the purposes of subsections (2) and (4) above.
- (12) For the purposes of this section—
  - (a) “charity” has the same meaning as in section 506 of the Taxes Act 1988 and includes each of the bodies mentioned in section 507 of that Act;

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- (b) “covenanted payment to charity” has the meaning given by [F17 section 347A(7)] of the Taxes Act 1988;
- (c) “relevant year of assessment”, in relation to a gift, means the year of assessment in which the gift is made;
- (d) references, in relation to a gift, to the grossed up amount are to the amount which after deducting income tax at the basic rate for the relevant year of assessment leaves the amount of the gift; and
- (e) references to profits or gains brought into charge to income tax are to profits or gains which are treated for the purposes of section 348 of the Taxes Act 1988 as brought into charge to income tax.

#### Textual Amendments

- F15** Words in s. 25(2)(g) substituted (27.07.1993 with application in relation to gifts made on or after 16.3.1993) by 1993 c. 34, s. 67(2)(4).
- F16** S. 25(2)(h) repealed (for gifts made on or after 19.03.1991) by Finance Act 1991 (c. 31, SIF 63:1), ss. 71(5)(6), 123, Sch. 19 Pt. V Note 12.
- F17** Words in s. 25(12)(b) substituted (1.5.1995) by 1995 c. 4, s. 74, Sch. 17 Pt. III para. 26

#### Modifications etc. (not altering text)

- C3** S. 25 modified (31.7.1998) by 1998 c. 36, s. 48(1)(4)  
S. 25 applied (31.7.1998) by 1998 c. 36, s. 48(1)(10)
- C4** S. 25(2)(e) applied (31.7.1998) by 1998 c. 36, s. 48(4)(d)
- C5** S. 25(2)(g) modified (31.7.1998) by 1998 c. 36, s. 48(3)

## 26 Company donations to charity.

- (1) Section 339 of the Taxes Act 1988 (charges on income: donations to charity) shall be amended as follows.
- (2) In subsection (1) after the word “payment” there shall be inserted the words “ of a sum of money ”.
- (3) In subsection (2) the words “and is not a close company” shall be omitted.
- (4) The following subsections shall be inserted after subsection (3)—
  - “(3A) A payment made by a close company is not a qualifying donation if it is of a sum which leaves less than £600 after deducting income tax under subsection (3) above.
  - (3B) A payment made by a close company is not a qualifying donation if—
    - (a) it is made subject to a condition as to repayment, or
    - (b) the company or a connected person receives a benefit in consequence of making it and either the relevant value in relation to the payment exceeds two and a half per cent. of the amount given after deducting tax under section 339(3) or the amount to be taken into account for the purposes of this paragraph in relation to the payment exceeds £250.
  - (3C) For the purposes of subsections (3B) above and (3D) below, the relevant value in relation to a payment to a charity is—

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- (a) where there is one benefit received in consequence of making it which is received by the company or a connected person, the value of that benefit;
  - (b) where there is more than one benefit received in consequence of making it which is received by the company or a connected person, the aggregate value of all the benefits received in consequence of making it which are received by the company or a connected person.
- (3D) The amount to be taken into account for the purposes of subsection (3B)(b) above in relation to a payment to a charity is an amount equal to the aggregate of—
- (a) the relevant value in relation to the payment, and
  - (b) the relevant value in relation to each payment already made to the charity by the company in the accounting period in which the payment is made which is a qualifying donation within the meaning of this section.
- (3E) A payment made by a close company is not a qualifying donation if it is conditional on, or associated with, or part of an arrangement involving, the acquisition of property by the charity, otherwise than by way of gift, from the company or a connected person.
- (3F) A payment made by a company is not a qualifying donation unless the company gives to the charity to which the payment is made a certificate in such form as the Board may prescribe and containing—
- (a) in the case of any company, a statement to the effect that the payment is one out of which the company has deducted tax under subsection (3) above, and
  - (b) in the case of a close company, a statement to the effect that the payment satisfies the requirements of subsections (3A) to (3E) above.
- (3G) A payment made by a company is not a qualifying donation if the company is itself a charity.”
- (5) The following subsection shall be inserted after subsection (7)—
- “(7A) In subsections (3B) to (3E) above references to a connected person are to a person connected with—
- (a) the company, or
  - (b) a person connected with the company;
- and section 839 applies for the purposes of this subsection.”
- (6) This section applies in relation to payments made on or after 1st October 1990.

## 27 Maximum qualifying company donations.

<sup>F18</sup>(1) .....

- (2) In section 339 of that Act (charges on income: donations to charity) subsection (5) shall be omitted and in subsection (9) for “(5)” there shall be substituted “ (4) ”.

<sup>F18</sup>(3) .....

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- (4) This section applies in relation to accounting periods ending on or after 1st October 1990.

#### Textual Amendments

**F18** S. 27(1)(3) repealed (for accounting periods beginning on or after 19.03.1991) by Finance Act 1991 (c. 31, SIF 63:1), s. 123, Sch. 19 Pt.V Note 5.

### Savings

## 28 Tax-exempt special savings accounts.

- (1) After section 326 of the Taxes Act 1988 there shall be inserted—

### “326A Tax-exempt special savings accounts.

- (1) Subject to the provisions of section 326B, any interest or bonus payable on a deposit account in respect of a period when it is a tax-exempt special savings account shall not be regarded as income for any income tax purpose.
- (2) An account is a “tax-exempt special savings account” for the purposes of this section if the conditions set out in subsections (3) to (9) below and any further conditions prescribed by regulations made by the Board are satisfied when the account is opened; and subject to section 326B it shall continue to be such an account until the end of the period of five years beginning with the day on which it is opened, or until the death of the account-holder if that happens earlier.
- (3) The account must be opened on or after 1st January 1991 by an individual aged 18 or more.
- (4) The account must be with a building society or an institution authorised under the Banking Act 1987.
- (5) The account must be identified as a tax-exempt special savings account and the account-holder must not simultaneously hold any other such account (with the same or any other society or institution).
- (6) The account must not be a joint account.
- (7) The account must not be held on behalf of a person other than the account-holder.
- (8) The account must not be connected with any other account held by the account-holder or any other person; and for this purpose an account is connected with another if—
  - (a) either was opened with reference to the other, or with a view to enabling the other to be opened on particular terms, or with a view to facilitating the opening of the other on particular terms, and
  - (b) the terms on which either was opened would have been significantly less favourable to the holder if the other had not been opened.

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- (9) There must not be in force a notice given by the Board to the society or institution prohibiting it from operating new tax-exempt special savings accounts.

### **326B Loss of exemption for special savings accounts.**

- (1) A tax-exempt special savings account shall cease to be such an account if at any time after it is opened any of the conditions set out in subsections (4) to (8) of section 326A, or any further condition prescribed by regulations made by the Board, is not satisfied, or if any of the events mentioned in subsection (2) below occurs.
- (2) The events referred to in subsection (1) above are—
- (a) the deposit of more than £3,000 in the account during the period of 12 months beginning with the day on which it is opened, more than £1,800 in any of the succeeding periods of 12 months, or more than £9,000 in total;
  - (b) a withdrawal from the account which causes the balance to fall below an amount equal to the aggregate of—
    - (i) all the sums deposited in the account before the time of the withdrawal, and
    - (ii) an amount equal to income tax at the basic rate on any interest or bonus paid on the account before that time (and for this purpose the basic rate in relation to any interest or bonus is the rate that was the basic rate when the interest or bonus was paid);
  - (c) the assignment of any rights of the account-holder in respect of the account, or the use of such rights as security for a loan.
- (3) If at any time an account ceases to be a tax-exempt special savings account by virtue of subsection (1) above, the Income Tax Acts shall have effect as if immediately after that time the society or institution had credited to the account an amount of interest equal to the aggregate of any interest and bonus payable in respect of the period during which the account was a tax-exempt special savings account.

### **326C Tax-exempt special savings accounts: supplementary.**

- (1) The Board may make regulations—
- (a) prescribing conditions additional to those set out in section 326A which must be satisfied if an account is to be or remain a tax-exempt special savings account;
  - (b) making provision for the giving by the Board to building societies and other institutions of notices prohibiting them from operating new tax-exempt special savings accounts, including provision about appeals against the giving of notices;
  - (c) requiring building societies and other institutions operating or proposing to operate tax-exempt special savings accounts to give information or send documents to the Board or to make documents available for inspection;

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- (d) making provision as to the transfer of tax-exempt special savings accounts from one building society or institution to another;
  - (e) generally for supplementing the provisions of sections 326A and 326B.
- (2) The reference in section 326A to a deposit account shall be taken to include a reference to a share account with a building society, and accordingly that section, section 326B and subsection (1) above shall apply to such an account with the necessary modifications.”
- (2) In the Table in section 98 of the <sup>M7</sup>Taxes Management Act 1970 (penalties for failure to comply with notices etc), in each column, before “regulations under section 333” there shall be inserted— “regulations under section 326C; ”.

<sup>F19</sup>(3) .....

#### Textual Amendments

**F19** S. 28(3) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101, 201(3), [Sch. 11](#) paras. 22, 26(2), 27).

#### Marginal Citations

**M7** 1970 c. 9.

## 29 Extension of SAYE.

In section 326 of the Taxes Act 1988 (income tax relief for SAYE)—

- (a) in subsection (1), after paragraph (b) there shall be inserted the words “or
  - (c) in respect of money paid to an institution authorised under the Banking Act 1987,”;
- (b) in that subsection, for the words “be disregarded” onwards there shall be substituted the words “not be regarded as income for any income tax purpose.”;
- (c) in subsection (2), after the words “building society” there shall be inserted the words “or an institution authorised under the Banking Act 1987 ”; and
- (d) after subsection (3) there shall be inserted—

“(4) In this section “certified contractual savings scheme” means, in relation to an institution authorised under the Banking Act 1987, a scheme—

- (a) providing for periodical contributions by individuals for a specified period, and
- (b) certified by the Treasury as corresponding to a scheme certified under subsection (2) above, and as qualifying for exemption under this section.”

## 30 Building societies.

Schedule 5 to this Act (which contains provisions relating to building societies, deposit-takers and investors) shall have effect.



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*Employee share ownership trusts*

F20 **31** .....

**Textual Amendments**

**F20** Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, **Sch.12** (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

F21 **32** .....

**Textual Amendments**

**F21** Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, **Sch.12** (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

F22 **33** .....

**Textual Amendments**

**F22** Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290 **Sch.12** (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

F23 **34** .....

**Textual Amendments**

**F23** Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, **Sch.12** (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

F24 **35** .....

**Textual Amendments**

**F24** Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, **Sch. 12** (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

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F25 **36** .....

**Textual Amendments**

**F25** Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101, 201(3), Sch. 11 paras. 20,22, 26(2), 27).

F26 **37** .....

**Textual Amendments**

**F26** Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

F27 **38** .....

**Textual Amendments**

**F27** Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

F28 **39** .....

**Textual Amendments**

**F28** Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

F29 **40** .....

**Textual Amendments**

**F29** Ss. 31-40 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101, 201(3), Sch. 11 paras. 22, 26(2), 27).

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### *Insurance companies and friendly societies*

#### **41 Apportionment of income etc.**

Schedule 6 to this Act (which makes provision about the apportionment of income etc. and related provision) shall have effect.

#### **42 Overseas life assurance business.**

Schedule 7 to this Act (which makes provision about the taxation of overseas life assurance business) shall have effect.

#### **43 Deduction for policy holders' tax.**

- (1) In section 82(1)(a) of the <sup>M8</sup>Finance Act 1989 (computation of profits on Case I basis), for the words “, in respect of the period, are allocated to or expended on behalf of policy holders or annuitants” there shall be substituted the words “ are allocated to, and any amounts of tax or foreign tax which are expended on behalf of, policy holders or annuitants in respect of the period ”.
- (2) In section 436(3) of the Taxes Act 1988 (modified application of section 82 in relation to computations of profits of general annuity business or pension business), the words “and of the words “tax or” in section 82(1)(a)” shall be added at the end of paragraph (a).
- (3) The Finance Act 1989 shall be deemed always to have had effect with the amendment made by subsection (1) above, and the amendment made by subsection (2) above shall have the same effect as, by virtue of section 84(5)(b) of that Act, it would have had if it had been made by Schedule 8 to that Act.

#### **Marginal Citations**

**M8** 1989 c. 26.

#### **44 Reinsurance commissions.**

- (1) In section 85(2) of the Finance Act 1989 (receipts excluded from charge under Case VI of Schedule D), after paragraph (c) there shall be inserted—  
“(ca) any reinsurance commission; or”.
- (2) In section 86 of the Finance Act 1989 (spreading of relief for expenses), at the end of subsection (1) there shall be added the words “ and less any reinsurance commissions falling within section 76(1)(ca) of that Act ”.
- (3) In section 76(1) of the Taxes Act 1988 (treatment of expenses of management), after paragraph (c) there shall be inserted—  
“(ca) there shall also be deducted from the amount treated as the expenses of management for any accounting period any reinsurance commission earned in the period which is referable to basic life assurance business; and”.
- (4) Sections 85 and 86 of the <sup>M9</sup>Finance Act 1989 shall be deemed always to have had effect with the amendments made by subsections (1) and (2) above, and section 76

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of the Taxes Act 1988 shall have effect as if the amendment made by subsection (3) above had been included among those made by section 87 of the Finance Act 1989.

- (5) Nothing in subsection (2) above applies to commissions in respect of the reinsurance of liabilities assumed by the recipient company in respect of insurances made before 14th March 1989, but without prejudice to the application of that subsection to any reinsurance commission attributable to a variation on or after that date in a policy issued in respect of such an insurance; and for this purpose the exercise of any rights conferred by a policy shall be regarded as a variation of it.

#### Marginal Citations

**M9** 1989 c. 26.

#### 45 Policy holders' share of profits etc.

- (1) In section 88 of the Finance Act 1989 (corporation tax: policy holders' fraction of profits), in subsection (1) for the words "the policy holders' fraction of its relevant profits for any accounting period shall" there shall be substituted the words—

- “(a) the policy holders' share of the relevant profits for any accounting period, or  
 (b) where the business is mutual business, the whole of those profits

shall”.

- (2) In subsection (4) of that section, for the word "fraction" there shall be substituted the word "share", and after the words "that period" there shall be inserted the words " , or where the business is mutual business the whole of those profits, ”.

- (3) For section 89 of that Act (which defines the shareholders' and policy holders' fractions) there shall be substituted—

#### “89 Policy holders' share of profits.

- (1) The references in section 88 above to the policy holders' share of the relevant profits for an accounting period of a company carrying on life assurance business are references to the amount arrived at by deducting from those profits the Case I profits of the company for the period in respect of the business, reduced in accordance with subsection (2) below.

- (2) For the purposes of subsection (1) above, the Case I profits for a period shall be reduced by—

- (a) the amount, so far as unrelieved, of any franked investment income arising in the period as respects which the company has made an election under section 438(6) of the Taxes Act 1988, and  
 (b) the shareholders' share of any other unrelieved franked investment income arising in the period from investments held in connection with the business.

- (3) For the purposes of this section "the shareholders' share" in relation to any income is so much of the income as is represented by the fraction

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$$\frac{A}{B}$$

where—

A is an amount equal to the Case I profits of the company for the period in question in respect of its life assurance business, and

B is an amount equal to the excess of the company's relevant non-premium income and relevant gains over its relevant expenses and relevant interest for the period.

- (4) Where there is no such excess as is mentioned in subsection (3) above, or where the Case I profits are greater than any excess, the whole of the income shall be the shareholders' share; and (subject to that) where there are no Case I profits, none of the income shall be the shareholders' share.
- (5) In subsection (3) above the references to the relevant non-premium income, relevant gains, relevant expenses and relevant interest of a company for an accounting period are references respectively to the following items as brought into account for the period, so far as referable to the company's life assurance business,—
- (a) the company's investment income from the assets of its long-term business fund together with its other income, apart from premiums;
  - (b) any increase in the value (whether realised or not) of those assets;
  - (c) expenses payable by the company;
  - (d) interest payable by the company;
- and if for any period there is a reduction in the value referred to in paragraph (b) above (as brought into account for the period), that reduction shall be taken into account as an expense of the period.
- (6) Except in so far as regulations made by the Treasury otherwise provide, in this section "brought into account" means brought into account in the revenue account prepared for the purposes of the Insurance Companies Act 1982; and where the company's period of account does not coincide with the accounting period, any reference to an amount brought into account for the accounting period is a reference to the corresponding amount brought into account for the period of account in which the accounting period is comprised, proportionately reduced to reflect the length of the accounting period as compared with the length of the period of account.
- (7) In this section "Case I profits" means profits computed in accordance with the provisions of the Taxes Act 1988 applicable to Case I of Schedule D.
- (8) For the purposes of this section franked investment income is "unrelieved" if—
- (a) it has not been excluded from charge to tax by virtue of any provision,
  - (b) no tax credit comprised in it has been paid, and
  - (c) no relief has been allowed against it by deduction or set-off."
- (4) In subsection (3) of section 434 of the Taxes Act 1988 (franked investment income etc.)—
- (a) for the words "policy holders' fraction" in both places where they occur there shall be substituted the words "policy holders' share";

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- (b) in paragraph (a), after the word “income” there shall be inserted the words “ from investments held in connection with the company’s life assurance business ”;
- (c) in paragraph (b), for the words “only to the shareholders’ fraction of that income” there shall be substituted the words “ to that income excluding the amount within paragraph (a) above ”.

(5) In subsection (3A) of that section, for the word “fraction” there shall be substituted the word “ share ”.

<sup>F30</sup>(6) .....

(7) After subsection (6) of that section there shall be inserted—

“(6A) For the purposes of this section—

- (a) “the policy holders’ share” of any franked investment income is so much of that income as is not the shareholders’ share within the meaning of section 89 of the Finance Act 1989, and
- (b) “the policy holders’ share of the relevant profits” has the same meaning as in section 88 of that Act.”

<sup>F31</sup>(8) .....

<sup>F32</sup>(9) .....

(10) The <sup>M10</sup>Finance Act 1989 shall be deemed always to have had effect with the amendments made by subsections (1) to (3) above, and the amendments made by subsections (4) to (9) above shall have the same effect as, by virtue of section 84(5) (b) of that Act, they would have had if they had been made by Schedule 8 to that Act.

(11) Paragraphs 1 and 3(3) of Schedule 8 to the Finance Act 1989 shall be deemed never to have had effect.

**Textual Amendments**

- F30** S. 45(6) repealed (31.7.1998 with effect in accordance with Schedule 3 to the amending Act) by 1998 c. 36, s. 165, **Sch. 27 Pt.(2)** Note
- F31** S. 45(8) repealed (1.5.1995 with effect as mentioned in **Sch. 8 paras. 55-57** of the amending Act) by 1995 c. 4, s. 162, **Sch. 29 Pt. VIII**
- F32** S. 45(9) repealed (31.7.1997 with effect in accordance with the provisions of Sch. 3 to the amending Act, other than para. 11) by 1997 c. 58, s. 52, **Sch. 8 Pt. II** (6) Note (with s. 3(3))

**Marginal Citations**

**M10** 1989 c. 26.

<sup>F33</sup>46 .....

**Textual Amendments**

**F33** S. 46 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), s. 290, **Sch.12** (with ss. 60, 101, 201(3), **Sch. 11 paras. 22, 26(2)**,

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27) (and expressed to be modified (31.7.1992) by S.I. 1992/1655, arts. 1, 19(1)); and expressed to be excluded (27.7.1993) by 1993 c. 34, s. 91(1).

F34 47 .....

#### Textual Amendments

**F34** S. 47 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), s. 290, Sch.12 (with ss. 60, 101(1), 201(3), Sch. 11 paras. 22, 26(2), 27).

#### 48 Transfers of long term business.

Schedule 9 to this Act (which makes provision about the tax consequences of certain transfers of long term business by insurance companies) shall have effect.

#### 49 Friendly societies: increased tax exemption.

- (1) In subsection (2) of section 460 of the Taxes Act 1988 (exemption from tax for profits of friendly society arising from life or endowment business), in paragraph (c)—
  - (a) in sub-paragraph (i), for “£100” there shall be substituted “ £150 ”; and
  - (b) after that sub-paragraph there shall be inserted—
    - “(ia) where the profits relate to contracts made after 31st August 1987 but before 1st September 1990, of the assurance of gross sums under contracts under which the total premiums payable in any period of 12 months exceed £100;”.
- (2) In subsection (3) of that section, for the words “of subsection (2)(c)(i)” there shall be substituted the words “ of subsection (2)(c)(i) or (ia) ”.
- (3) In subsection (3) of section 464 of that Act (maximum benefits payable to members of friendly societies), for the words from “Kingdom” to the end there shall be substituted the words “Kingdom)—
  - (a) contracts under which the total premiums payable in any period of 12 months exceed £150; or
  - (b) contracts made before 1st September 1990 under which the total premiums payable in any period of 12 months exceed £100,unless all those contracts were made before 1st September 1987. ”
- (4) In subsection (4) of that section, for the word “limit” there shall be substituted the word “ limits ”.
- (5) In paragraph 3(8)(b)(ii) of Schedule 15 to that Act (amount of premiums to be disregarded in determining whether a policy meets conditions for it to be a qualifying policy), after the word “premiums” there shall be inserted the words “ or, where those premiums are payable otherwise than annually, an amount equal to 10 per cent. of those premiums if that is greater ”.

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## 50 Friendly societies: application of enactments.

- (1) Section 463 of the Taxes Act 1988 (application to life or endowment business of friendly societies of Corporation Tax Acts as they apply to mutual life assurance business) shall be renumbered as subsection (1) of that section.
- (2) After that provision as so renumbered there shall be added—
  - “(2) The provisions of the Corporation Tax Acts which apply on the transfer of the whole or part of the long term business of an insurance company to another company shall apply in the same way—
    - (a) on the transfer of the whole or part of the business of a friendly society to another friendly society (and on the amalgamation of friendly societies), and
    - (b) on the transfer of the whole or part of the business of a friendly society to a company which is not a friendly society (and on the conversion of a friendly society into such a company),
 so however that the Treasury may by regulations provide that those provisions as so applied shall have effect subject to such modifications and exceptions as may be prescribed by the regulations.
  - (3) The Treasury may by regulations provide that the provisions of the Corporation Tax Acts which apply on the transfer of the whole or part of the long term business of an insurance company to another company shall have effect where the transferee is a friendly society subject to such modifications and exceptions as may be prescribed by the regulations.
  - (4) Regulations under this section may make different provision for different cases and may include provision having retrospective effect.”

*Unit and investment trusts etc.*

<sup>F35</sup>51 .....

### Textual Amendments

**F35** S. 51 repealed (29.4.1996 with effect for the year 1996-1997 and subsequent years of assessment) by 1996 c. 8, ss. 73, 205, Sch. 6, **Sch. 41 Pt. V(1)** Note 1

## 52 Unit trusts: repeals.

- (1) The Taxes Act 1988 shall have effect subject to the following provisions of this section.
- (2) In section 468 (authorised unit trusts) subsection (5) shall not apply as regards a distribution period beginning after 31st December 1990.
- (3) Where a particular distribution period is by virtue of subsection (2) above the last distribution period as regards which section 468(5) applies in the case of a trust, the trustees' liability to income tax in respect of any source of income chargeable under Case III of Schedule D shall be assessed as if they had ceased to possess the source of income on the last day of that distribution period.



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- (4) But where section 67 of the Taxes Act 1988 applies by virtue of subsection (3) above, it shall apply with the omission from subsection (1)(b) of the words from “and shall” to “this provision”.
- (5) Section 468B (certified unit trusts: corporation tax) shall not apply as regards an accounting period ending after 31st December 1990.
- (6) Section 468C (certified unit trusts: distributions) shall not apply as regards a distribution period ending after 31st December 1990.
- (7) Section 468D (funds of funds: distributions) shall not apply as regards a distribution period ending after 31st December 1990.
- (8) In this section “distribution period” has the same meaning as in section 468 of the Taxes Act 1988.

### 53 Unit trust managers: exemption from bond-washing provisions.

<sup>F36</sup>(1) .....

- (2) Section 472 of the Taxes Act 1970 (corresponding provision of the old law) shall be deemed always to have had effect with the insertion after subsection (5) of the subsection set out in subsection (1) above.

#### Textual Amendments

**F36** S. 53(1) repealed (31.7.1997 with effect in accordance with s. 26 of the amending Act) by 1997 c. 58, ss. 26, 52, **Sch. 8 Pt. II(8)** note (with s. 3(3))

<sup>F37</sup>54 .....

#### Textual Amendments

**F37** S. 54 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)**, s. 290, **Sch. 12** (with ss. 60, 101(1), 201(3), **Sch. 11 paras. 22, 26(2), 27**).

### 55 Investment trusts.

- (1) In section 842 of the Taxes Act 1988 (investment trusts) the following subsections shall be inserted after subsection (2)—

- “(2A) Subsection (1)(e) above shall not apply as regards an accounting period if—
- (a) the company is required to retain income in respect of the period by virtue of a restriction imposed by law, and
  - (b) the amount of income the company is so required to retain in respect of the period exceeds an amount equal to 15 per cent. of the income the company derives from shares and securities.

(2B) Subsection (2A) above shall not apply where—

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- (a) the amount of income the company retains in respect of the accounting period exceeds the amount of income it is required by virtue of a restriction imposed by law to retain in respect of the period, and
  - (b) the amount of the excess or, where the company distributes income in respect of the period, that amount together with the amount of income which the company so distributes is at least £10,000 or, where the period is less than 12 months, a proportionately reduced amount.
- (2C) Paragraph (e) of subsection (1) above shall not apply as regards an accounting period if the amount which the company would be required to distribute in order to fall within that paragraph is less than £10,000 or, where the period is less than 12 months, a proportionately reduced amount.”
- (2) This section applies in relation to accounting periods ending on or after the day on which this Act is passed.

### Securities

**F38** 56 .....

#### Textual Amendments

**F38** S. 56 repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Part IV of the amending Act) by 1996 c. 8, ss. 105, 205, **Sch. 41 Pt. V(3)** Note

#### [**F39** 57 **Deep gain securities.**

- (1) In Schedule 11 to the <sup>M11</sup>Finance Act 1989 (deep gain securities) paragraph 1 (meaning of deep gain security) shall be amended as follows.
- (2) The following sub-paragraph shall be inserted after sub-paragraph (3)—
  - “(3A) In the case of a security issued on or after 9th June 1989, for the purposes of sub-paragraph (2) above “redemption” does not include any redemption which may be made before maturity only if—
    - (a) the person who issued the security fails to comply with the duties imposed on him by the terms of issue,
    - (b) the person who issued the security becomes unable to pay his debts, or
    - (c) the security was issued by a company and a person gains control of the company in pursuance of the acceptance of an offer made by that person to acquire shares in the company.”
- (3) The amendment made by this section shall be deemed always to have had effect.]

#### Textual Amendments

**F39** S. 57 repealed (retrospectively and to be taken always to have had effect) by Finance (No. 2) Act 1992 (c. 48), ss. 33, 82, **Sch. 7 para. 7 Sch. 18 Pt.VII** (made 16.7.1992).

*Status: Point in time view as at 31/07/1998.*

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### Marginal Citations

M11 1989 c. 26.

F<sup>40</sup>58 .....

### Textual Amendments

F40 S. 58 repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Part IV of the amending Act) by 1996 c. 8, ss. 105, 205, Sch. 41 Pt. V(3) Note

F<sup>41</sup>59 .....

### Textual Amendments

F41 S. 59 repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Part IV of the amending Act) by 1996 c. 8, ss. 105, 205, Sch. 41 Pt. V(3) Note

## *Oil industry*

### 60 Allowance for abandonment expenditure related to offshore machinery or plant.

In section 62 of the <sup>M12</sup>Capital Allowances Act 1990 (treatment of demolition costs) in subsection (1)(b) after the words “machinery or plant” there shall be inserted “then, subject to section 62A”; and after that section there shall be inserted the following sections—

#### **“62A Special allowance for demolition costs related to offshore machinery or plant.**

- (1) Subject to subsection (3) below, this section applies to expenditure which, apart from this section, would fall within section 62(1)(b) and which is incurred—
  - (a) by any person carrying on a ring fence trade; and
  - (b) for the purposes of or in connection with the closing down of, or of any part of, an oil field, within the meaning of Part I of the Oil Taxation Act 1975; and
  - (c) on the demolition of machinery or plant which has been brought into use for the purposes of that trade and which is or forms part of an offshore installation or a submarine pipe-line;and in this section any such expenditure is referred to as “abandonment expenditure”.
- (2) In this section “ring fence trade” means activities which—
  - (a) fall within any of paragraphs (a) to (c) of subsection (1) of section 492 of the principal Act (treatment of oil extraction activities etc. for tax purposes); and

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- (b) constitute a separate trade (whether by virtue of that subsection or otherwise).
- (3) In subsection (1)(c) above—
  - (a) the reference to demolition is a reference to demolition which is carried out, wholly or substantially, in order to comply with an abandonment programme, within the meaning of Part I of the Petroleum Act 1987, or with any condition to which the approval of such a programme is subject; and
  - (b) “offshore installation” and “submarine pipe-line” have the same meaning as in that Part.
- (4) If the person incurring any abandonment expenditure so elects,—
  - (a) for the chargeable period related to the incurring of that expenditure there shall be made to that person an allowance equal to the excess of the abandonment expenditure to which the election relates over any moneys received for the remains of the machinery or plant concerned; and
  - (b) that excess shall not be taken into account to increase qualifying expenditure as mentioned in section 62(1)(b).
- (5) An election under this section—
  - (a) shall specify the abandonment expenditure to which it relates and the amounts of any such moneys received as mentioned in subsection (4) (a) above;
  - (b) shall be made by notice in writing given to the inspector not later than two years after the end of the chargeable period related to the incurring of the abandonment expenditure; and
  - (c) shall be irrevocable.
- (6) This section has effect where the chargeable period related to the incurring of the expenditure or its basis period ends after 30th June 1991.

**62B Treatment of post-cessation abandonment expenditure related to offshore machinery or plant.**

- (1) Subsection (2) below applies in any case where—
  - (a) a person (in this section referred to as “the former trader”) ceases to carry on a ring fence trade; and
  - (b) after 30th June 1991 and within the period of three years immediately following the last day on which he carried on that trade, the former trader incurs expenditure (in this section referred to as “post-cessation expenditure”) on the demolition of machinery or plant which falls within section 62A(1)(c); and
  - (c) the post-cessation expenditure would have been abandonment expenditure for the purposes of section 62A if the demolition had been carried out and the expenditure incurred before the cessation of the ring fence trade; and
  - (d) apart from this section, the post-cessation expenditure would not be deductible in computing the income of the former trader for any purpose of corporation tax or income tax.

*Status: Point in time view as at 31/07/1998.*

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- (2) Where this subsection applies, the qualifying expenditure of the former trader for the chargeable period related to the cessation of his ring fence trade shall be treated for the purposes of sections 24 and 25 as increased by so much of the post-cessation expenditure as exceeds any moneys received in the three year period referred to in paragraph (b) of subsection (1) above for the remains of the machinery or plant referred to in that paragraph.
- (3) Where subsection (2) above applies, any moneys received as mentioned in that subsection shall not constitute income of the former trader for any purpose of income tax or corporation tax.
- (4) All such adjustments shall be made, whether by way of discharge or repayment of tax or otherwise, as may be required in consequence of the provisions of this section.
- (5) In this section “ring fence trade” has the same meaning as in section 62A.”

**Marginal Citations**

M12 1990 c. 1.

<sup>F42</sup>61 .....

**Textual Amendments**

**F42** S. 61 repealed (for losses incurred in accounting periods ending on or after 01.04.1991) by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), s. 123, [Sch. 19 Pt.V](#) Note 4(c).

**62 CT treatment of PRT repayment.**

- (1) In section 500 of the Taxes Act 1988 (deduction of PRT in computing income for corporation tax purposes), in subsection (4) (reduction or extinguishment of deduction where PRT repaid)—
  - (a) at the beginning there shall be inserted the words “ Subject to the following provisions of this section ”; and
  - (b) for the words “accounting period” there shall be substituted “ calendar year ”.
- (2) For subsection (5) of that section there shall be substituted the following subsections—
  - “(5) If, in a case where paragraph 17 of Schedule 2 to the 1975 Act applies, an amount of petroleum revenue tax in respect of which a deduction has been made under subsection (1) above is repaid by virtue of an assessment under that Schedule or an amendment of such an assessment, then, so far as concerns so much of that repayment as constitutes the appropriate repayment,—
    - (a) subsection (4) above shall not apply; and
    - (b) the following provisions of this section shall apply in relation to the company which is entitled to the repayment.
- (6) In subsection (5) above and the following provisions of this section—

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- (a) “the appropriate repayment” has the meaning assigned by sub-paragraph (2) of paragraph 17 of Schedule 2 to the 1975 Act;
  - (b) in relation to the appropriate repayment, a “carried back loss” means an allowable loss which falls within sub-paragraph (1)(a) of that paragraph and which (alone or together with one or more other carried back losses) gives rise to the appropriate repayment;
  - (c) in relation to a carried back loss, “the operative chargeable period” means the chargeable period in which the loss accrued; and
  - (d) in relation to the company which is entitled to the appropriate repayment, “the relevant accounting period” means the accounting period in or at the end of which ends the operative chargeable period or, if the company’s ring fence trade is permanently discontinued before the end of the operative chargeable period, the last accounting period of that trade.
- (7) In computing for corporation tax the amount of the company’s income arising in the relevant accounting period from oil extraction activities or oil rights there shall be added an amount equal to the appropriate repayment; but this subsection has effect subject to subsection (8) below in any case where—
- (a) two or more carried back losses give rise to the appropriate repayment; and
  - (b) the operative chargeable period in relation to each of the carried back losses is not the same; and
  - (c) if subsection (6)(d) above were applied separately in relation to each of the carried back losses there would be more than one relevant accounting period.
- (8) Where paragraphs (a) to (c) of subsection (7) above apply, the appropriate repayment shall be treated as apportioned between each of the relevant accounting periods referred to in paragraph (c) of that subsection in such manner as to secure that the amount added by virtue of that subsection in relation to each of those relevant accounting periods is what it would have been if—
- (a) relief for each of the carried back losses for which there is a different operative chargeable period had been given by a separate assessment or amendment of an assessment under Schedule 2 to the 1975 Act; and
  - (b) relief for a carried back loss accruing in an earlier chargeable period had been so given before relief for a carried back loss accruing in a later chargeable period.
- (9) Any additional assessment to corporation tax required in order to give effect to the addition of an amount by virtue of subsection (7) above may be made at any time not later than six years after the end of the calendar year in which is made the repayment of petroleum revenue tax comprising the appropriate repayment.
- (10) In this section “allowable loss” and “chargeable period” have the same meaning as in Part I of the 1975 Act and “calendar year” means a period of twelve months beginning on 1st January.”
- (3) At the end of section 502(1) of the Taxes Act 1988 (defined expressions for Chapter V of Part XII) there shall be added “and

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“ring fence trade” means activities which—

- (a) fall within any of paragraphs (a) to (c) of subsection (1) of section 492; and
- (b) constitute a separate trade (whether by virtue of that subsection or otherwise)”.

<sup>F43</sup> **63** .....

**Textual Amendments**

**F43** Ss. 63-65 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), s. 290, **Sch. 12** (with ss. 60, 101(1), 201(3), Sch. 11 paras. 22, 26(2), 27).

<sup>F44</sup> **64** .....

**Textual Amendments**

**F44** Ss. 63-65 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), s. 290, **Sch.12** (with ss. 60, 101(1), 201(3), Sch. 11 paras. 22, 26(2), 27).

*International*

<sup>F45</sup> **65** .....

**Textual Amendments**

**F45** Ss. 63-65 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), s. 290, **Sch. 12** (with ss. 60, 101(1), 201(3), Sch. 11 paras. 22, 26(2), 27).

<sup>F46</sup> **66** .....

**Textual Amendments**

**F46** S. 66 repealed (3.5.1994 with effect in accordance with s. 251 of the amending Act) by 1994 c. 9, ss. 251, 258, **Sch. 26 Pt. VIII** (1) Note

**67 Dual resident companies: controlled foreign companies.**

<sup>F47</sup>(1) .....

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F47(2) .....

(3) In Schedule 25 to that Act—

- (a) paragraphs 2(1)(c) and 4(1)(c) shall be omitted,
- (b) after paragraph 2(1) there shall be inserted—

“(1A) A payment of dividend to a company shall not fall within sub-paragraph (1)(d) above unless it is taken into account in computing the company’s income for corporation tax.”, and

- (c) after paragraph 4(1) there shall be inserted—

“(1A) A payment to a company shall not be a subsequent dividend within the meaning of sub-paragraph (1)(b) above unless it is taken into account in computing the company’s income for corporation tax.”

(4) Subsections (1) and (2) above shall apply on and after 20th March 1990 and subsection (3) above shall apply to dividends paid on or after that date.

#### Textual Amendments

F47 S. 67(1)(2) repealed (3.5.1994 with effect in accordance with [section 251](#) of the amending Act) by 1994 c. 9, ss. 251, 258, [Sch. 26 Pt. VIII\(1\)](#) Note

## 68 Movements of capital between residents of member States.

(1) In section 765 of the Taxes Act 1988 (certain transactions unlawful unless carried out with Treasury consent), in subsection (1), after the words “Subject to the provisions of this section” there shall be inserted the words “ and section 765A ”.

(2) After that section there shall be inserted—

### “765A Movements of capital between residents of member States.

(1) 765(1) shall not apply to a transaction which is a movement of capital to which Article 1 of the Directive of the Council of the European Communities dated 24th June 1988 No.88/361/EEC applies.

(2) Where if that Article did not apply to it a transaction would be unlawful under section 765(1), the body corporate in question (that is to say, the body corporate resident in the United Kingdom) shall—

(a) give to the Board within six months of the carrying out of the transaction such information relating to the transaction, or to persons connected with the transaction, as regulations made by the Board may require, and

(b) where notice is given to the body corporate by the Board, give to the Board within such period as is prescribed by regulations made by the Board (or such longer period as the Board may in the case allow) such further particulars relating to the transaction, to related transactions, or to persons connected with the transaction or related transactions, as the Board may require.”



*Status: Point in time view as at 31/07/1998.*

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- (3) In section 98 of the <sup>M13</sup>Taxes Management Act 1970 (penalties for failure to furnish information and for false information)—
- (a) in subsection (1), after the words “Subject to” there shall be inserted the words “ the provisions of this section and ”;
  - (b) after subsection (4) there shall be inserted—
    - “(5) In the case of a failure to comply with section 765A(2)(a) or (b) of the principal Act, subsection (1) above shall have effect as if for “£300” there were substituted “ £3,000 ” and as if for “£60” there were substituted “ £600 ”.”;
  - (c) in the first column of the Table, after “section 755” there shall be inserted “ section 765A(2)(b); ”; and
  - (d) in the second column of the Table, after “section 639” there shall be inserted “ section 765A(2)(a); ”.
- (4) This section shall apply to transactions carried out on or after 1st July 1990.

**Marginal Citations**

M13 1970 c. 9.

**69 European Economic Interest Groupings.**

Schedule 11 to this Act (which makes provision about the taxation of income and gains in the case of European Economic Interest Groupings) shall have effect.

F48<sup>70</sup> .....

**Textual Amendments**

F48 S. 70 repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, Sch. 12 (with ss. 60, 101(1), 201(3), Sch. 11 paras. 22, 26(2), 27).

*Miscellaneous*

**71 Relief for interest.**

For the year 1990-91 the qualifying maximum defined in section 367(5) of the Taxes Act 1988 (limit on relief for interest on certain loans) shall be £30,000.

F49<sup>72</sup> .....

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**Textual Amendments**

- F49** S. repealed (6.3.1992 with effect as mentioned in s. 289 (1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), s. 290, [Sch.12](#) (with ss. 60, 101(1), 201(3), [Sch. 11 paras. 22, 26\(2\), 27](#)).

<sup>F50</sup>**73** .....

**Textual Amendments**

- F50** [S. 73](#) repealed (3.5.1994 with effect in relation to shares issued on or after 1st January 1994) by [1994 c. 9, s. 258, Sch. 26 Pt. V\(17\)](#) Note

<sup>F51</sup>**74** .....

**Textual Amendments**

- F51** [S. 74](#) repealed (29.4.1996 with effect in accordance with the provisions of Chapter II of Part IV of the amending Act) by [1996 c. 8, ss. 105, 205, Sch. 41 Pt. V\(3\)](#) Note

<sup>F52</sup>**75** .....

**Textual Amendments**

- F52** [S. 75](#) repealed (3.5.1994) by [1994 c. 9, s. 258, Sch. 26 Pt. V\(21\)](#)

**76 Training and enterprise councils and local enterprise companies.**

After section 79 of the Taxes Act 1988 there shall be inserted—

**“79A Contributions to training and enterprise councils and local enterprise companies.**

- (1) Notwithstanding anything in section 74, but subject to the provisions of this section, where a person carrying on a trade, profession or vocation makes any contribution (whether in cash or in kind) to a training and enterprise council or a local enterprise company, any expenditure incurred by him in making the contribution may be deducted as an expense in computing the profits or gains of the trade, profession or vocation for the purposes of tax if it would not otherwise be so deductible.
- (2) Where any such contribution is made by an investment company any expenditure allowable as a deduction under subsection (1) above shall for the purposes of section 75 be treated as expenses of management.

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- (3) Subsection (1) above does not apply in relation to a contribution made by any person if either he or any person connected with him receives or is entitled to receive a benefit of any kind whatsoever for or in connection with the making of that contribution, whether from the council or company concerned or from any other person.
- (4) In any case where—
- (a) relief has been given under subsection (1) above in respect of a contribution, and
  - (b) any benefit received in any chargeable period by the contributor or any person connected with him is in any way attributable to that contribution,
- the contributor shall in respect of that chargeable period be charged to tax under Case I or Case II of Schedule D, or if he is not chargeable to tax under either of those Cases for that period under Case VI of Schedule D, on an amount equal to the value of that benefit.
- (5) In this section—
- (a) “training and enterprise council” means a body with which the Secretary of State has made an agreement (not being one which has terminated) under which it is agreed that the body shall carry out the functions of a training and enterprise council, and
  - (b) “local enterprise company” means a company with which an agreement (not being one which has terminated) under which it is agreed that the company shall carry out the functions of a local enterprise company has been made by the Scottish Development Agency, the Highlands and Islands Development Board, Scottish Enterprise or Highlands and Islands Enterprise.
- (6) Section 839 applies for the purposes of subsections (3) and (4) above.
- (7) This section applies to contributions made on or after 1st April 1990 and before 1st April 1995.”

## 77 Expenses of entertainers.

The following section shall be inserted after section 201 of the Taxes Act 1988—

### “201A Expenses of entertainers.

- (1) Where emoluments of an employment to which this section applies fall to be charged to tax for a year of assessment for which this section applies, there may be deducted from the emoluments of the employment to be charged to tax for the year—
- (a) fees falling within subsection (2) below, and
  - (b) any additional amount paid by the employee in respect of value added tax charged by reference to those fees.
- (2) Fees fall within this subsection if—
- (a) they are paid by the employee to another person,

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- (b) they are paid under a contract made between the employee and the other person, who agrees under the contract to act as an agent of the employee in connection with the employment,
  - (c) at each time any of the fees are paid the other person carries on an employment agency with a view to profit and holds a current licence for the agency,
  - (d) they are calculated as a percentage of the emoluments of the employment or as a percentage of part of those emoluments, and
  - (e) they are defrayed out of the emoluments of the employment falling to be charged to tax for the year concerned.
- (3) For the purposes of subsection (2) above—
- (a) “employment agency” means an employment agency within the meaning given by section 13(2) of the Employment Agencies Act 1973, and
  - (b) a person holds a current licence for an employment agency if he holds a current licence under that Act authorising him to carry on the agency.
- (4) The amount which may be deducted by virtue of this section shall not exceed 175 per cent. of the emoluments of the employment falling to be charged to tax for the year concerned.
- (5) This section applies to employment as an actor, singer, musician, dancer or theatrical artist.
- (6) This section applies for the year 1990–91 and subsequent years of assessment.”

## 78 **Waste disposal.**

The following sections shall be inserted after section 91 of the Taxes Act 1988—

### “91A **Waste disposal: restoration payments.**

- (1) This section applies where on or after 6th April 1989 a person makes a site restoration payment in the course of carrying on a trade.
- (2) Subject to subsection (3) below, for the purposes of income tax or corporation tax the payment shall be allowed as a deduction in computing the profits or gains of the trade for the period of account in which the payment is made.
- (3) Subsection (2) above shall not apply to so much of the payment as—
  - (a) represents expenditure which has been allowed as a deduction in computing the profits or gains of the trade for any period of account preceding the period of account in which the payment is made, or
  - (b) represents capital expenditure in respect of which an allowance has been, or may be, made under the enactments relating to capital allowances.
- (4) For the purposes of this section a site restoration payment is a payment made—
  - (a) in connection with the restoration of a site or part of a site, and
  - (b) in order to comply with any condition of a relevant licence, or any condition imposed on the grant of planning permission to use the site

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for the carrying out of waste disposal activities, or any term of a relevant agreement.

- (5) For the purposes of this section waste disposal activities are the collection, treatment, conversion and final depositing of waste materials, or any of those activities.
- (6) For the purposes of this section a relevant licence is—
  - (a) a disposal licence under Part I of the Control of Pollution Act 1974 or Part II of the Pollution Control and Local Government (Northern Ireland) Order 1978, or
  - (b) a waste management licence under Part II of the Environmental Protection Act 1990 or any corresponding provision for the time being in force in Northern Ireland.
- (7) For the purposes of this section a relevant agreement is an agreement made under section 52 of the Town and Country Planning Act 1971, section 50 of the Town and Country Planning (Scotland) Act 1972 or section 106 of the Town and Country Planning Act 1990 (all of which relate to agreements regulating the development or use of land) or under any provision corresponding to section 106 of the Town and Country Planning Act 1990 and for the time being in force in Northern Ireland.
- (8) For the purposes of this section a period of account is a period for which an account is made up.

#### **91B Waste disposal: preparation expenditure.**

- (1) This section applies where a person—
  - (a) incurs, in the course of carrying on a trade, site preparation expenditure in relation to a waste disposal site (the site in question),
  - (b) holds, at the time the person first deposits waste materials on the site in question, a relevant licence which is then in force,
  - (c) makes a claim for relief under this section in such form as the Board may direct, and
  - (d) submits such plans and other documents (if any) as the Board may require;

and it is immaterial whether the expenditure is incurred before or after the coming into force of this section.

- (2) In computing the profits or gains of the trade for a period of account ending after 5th April 1989, the allowable amount shall be allowed as a deduction for the purposes of income tax or corporation tax.
- (3) In relation to a period of account (the period in question) the allowable amount shall be determined in accordance with the formula—

$$(A - B) \times \frac{C}{C + D}$$

- (4) A is the site preparation expenditure incurred by the person at any time before the beginning of, or during, the period in question—
  - (a) in relation to the site in question, and

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- (b) in the course of carrying on the trade;  
 but this subsection is subject to subsections (5) and (9) below.
- (5) A does not include any expenditure—
- (a) which has been allowed as a deduction in computing the profits or gains of the trade for any period of account preceding the period in question, or
  - (b) which constitutes capital expenditure in respect of which an allowance has been, or may be, made under the enactments relating to capital allowances.
- (6) B is an amount equal to any amount allowed as a deduction under this section, if allowed—
- (a) in computing the profits or gains of the trade for any period of account preceding the period in question, and
  - (b) as regards expenditure incurred in relation to the site in question;
- and if different amounts have been so allowed as regards different periods, B is the aggregate of them.
- (7) C is the volume of waste materials deposited on the site in question during the period in question; but if the period is one beginning before 6th April 1989 C shall be reduced by the volume of any waste materials deposited on the site during the period but before that date.
- (8) D is the capacity of the site in question not used up for the deposit of waste materials, looking at the state of affairs at the end of the period in question.
- (9) Where any of the expenditure which would be included in A (apart from this subsection) was incurred before 6th April 1989, A shall be reduced by an amount determined in accordance with the formula—

$$EX \frac{F}{F+G}$$

- (10) For the purposes of subsection (9) above—
- (a) E is so much of the initial expenditure (that is, the expenditure which would be included in A apart from subsection (9) above) as was incurred before 6th April 1989,
  - (b) F is the volume of waste materials deposited on the site in question before 6th April 1989, and
  - (c) G is the capacity of the site in question not used up for the deposit of waste materials, looking at the state of affairs immediately before 6th April 1989.
- (11) For the purposes of this section—
- (a) a waste disposal site is a site used (or to be used) for the disposal of waste materials by their deposit on the site,
  - (b) in relation to such a site, site preparation expenditure is expenditure on preparing the site for the deposit of waste materials (and may include expenditure on earthworks),
  - (c) in relation to such a site, “capacity” means capacity expressed in volume,
  - (d) “relevant licence” has the same meaning as in section 91A, and

*Status: Point in time view as at 31/07/1998.*

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(e) a period of account is a period for which an account is made up.”

## 79 Priority share allocations for employees etc.

(1) In section 68 of the <sup>M14</sup>Finance Act 1988 (which provides for the benefits derived from priority rights in share offers to be disregarded in certain circumstances), after subsection (3) there shall be inserted—

“(3A) The fact that the allocations of shares in the company to which persons who are not directors or employees of the company are entitled are smaller than those to which directors or employees of the company are entitled shall not be regarded for the purposes of subsection (2)(b) above as meaning that they are not entitled on similar terms if—

- (a) each of the first-mentioned persons is also entitled, by reason of his office or employment and in priority to members of the public, to an allocation of shares in another company or companies which are offered to the public (at a fixed price or by tender) at the same time as the shares in the company, and
- (b) in the case of each of those persons the aggregate value (measured by reference to the fixed price or the lowest price successfully tendered) of all the shares included in the allocations to which he is entitled is the same, or as nearly the same as is reasonably practicable, as that of the shares in the company included in the entitlement of a comparable director or employee of the company.”

(2) This section applies to offers made on or after the day on which this Act is passed.

### Marginal Citations

M14 1988 c. 39.

## 80 Broadcasting: transfer of undertakings of Independent Broadcasting Authority and Cable Authority.

Schedule 12 to this Act shall have effect.

## 81 Futures and options: exemptions.

(1) The following section shall be inserted after section 468 of the Taxes Act 1988—

### “468AA Authorised unit trusts: futures and options.

- (1) Trustees shall be exempt from tax under Case I of Schedule D in respect of income if—
- (a) the income is derived from transactions relating to futures contracts or options contracts, and
  - (b) the trustees are trustees of a unit trust scheme which is an authorised unit trust as respects the accounting period in which the income is derived.

*Status: Point in time view as at 31/07/1998.*

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- (2) For the purposes of subsection (1) above a contract is not prevented from being a futures contract or an options contract by the fact that any party is or may be entitled to receive or liable to make, or entitled to receive and liable to make, only a payment of a sum (as opposed to a transfer of assets other than money) in full settlement of all obligations.
- (3) In this section—  
     “authorised unit trust” has the same meaning as in section 468, and  
     “unit trust scheme” has the same meaning as in section 469.”
- (2) The following section shall be inserted at the end of Part XIV of the Taxes Act 1988 (pension schemes etc.)—

**“659A Futures and options.**

- (1) For the purposes of sections 592(2), 608(2)(a), 613(4), 614(3) and (4), 620(6) and 643(2)—  
     (a) “investments” (or “investment”)  
         includes futures contracts and options contracts, and  
     (b) income derived from transactions relating to such contracts shall be regarded as income derived from (or income from) such contracts, and paragraph 7(3)(a) of Schedule 22 to this Act shall be construed accordingly.
- (2) For the purposes of subsection (1) above a contract is not prevented from being a futures contract or an options contract by the fact that any party is or may be entitled to receive or liable to make, or entitled to receive and liable to make, only a payment of a sum (as opposed to a transfer of assets other than money) in full settlement of all obligations.”
- <sup>F53</sup>(3) . . . . .
- (4) Section 659 of the Taxes Act 1988 (financial futures and traded options) shall cease to have effect.
- (5) Subsections (1) and (2) above apply in relation to income derived after the day on which this Act is passed.
- <sup>F53</sup>(6) . . . . .
- (7) Insofar as section 659 of the Taxes Act 1988 relates to provisions of that Act, subsection (4) above applies in relation to income derived after the day on which this Act is passed.
- (8) Insofar as section 659 of the Taxes Act 1988 relates to section 149B of the <sup>M15</sup>Capital Gains Tax Act 1979, subsection (4) above applies in relation to disposals made after the day on which this Act is passed.

**Textual Amendments**

**F53** S. 81(3)(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. 60, 101(1), 201(3), Sch. 11 paras. 20, 22, 26(2), 27)



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**Marginal Citations**

**M15** 1979 c. 14.

<sup>F54</sup>**82** .....

**Textual Amendments**

**F54** S. 82 repealed (1.5.1995 with effect for the year 1995-1996 and subsequent years of assessment) by 1995 c. 4, s. 162, **Sch. 29 Pt. VIII(8)** Note

<sup>F55</sup>**83** .....

**Textual Amendments**

**F55** Ss. 83-86 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. 60, 101(1), 201(3), Sch. 11 paras. 20, 22, 26(2),27).

<sup>F56</sup>**84** .....

**Textual Amendments**

**F56** Ss. 83-86 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. 60, 101(1), 201(3), Sch. 11 paras. 20, 22, 26(2),27).

<sup>F57</sup>**85** .....

**Textual Amendments**

**F57** Ss. 83-86 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. 60, 101(1), 201(3), Sch. 11 paras. 20, 22, 26(2),27).

<sup>F58</sup>**86** .....

**Textual Amendments**

**F58** Ss. 83-86 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. 60, 101(1), 201(3), Sch. 11 paras. 20, 22, 26(2),27).

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## 87 Capital allowances: vehicles provided by employees.

- (1) In section 27 of the <sup>M16</sup>Capital Allowances Act 1990 (professions, employments, vocations etc.) in subsection (1) for the words “and (3)” there shall be substituted the words “to (3)”.
- (2) The following subsections shall be inserted after subsection (2) of that section—
- (2A) In the case of machinery to which this subsection applies, subsection (2)(a) above shall have effect with the omission of the word “necessarily”.
- (2B) Subsection (2A) above applies to machinery if—
- (a) it consists of a mechanically propelled road vehicle, and
  - (b) capital expenditure incurred on its provision is incurred partly for the purposes of the office or employment and partly for other purposes.
- (2C) Section 24 in its application in accordance with this section to an office or employment shall have effect, where a person’s qualifying expenditure consists of expenditure incurred on the provision of machinery to which subsection (2A) above applies, with the modifications set out in subsections (2D) and (2E) below.
- (2D) In subsection (2)(b) for the word “whole” there shall be substituted the words “appropriate fraction”.
- (2E) The following subsection shall be inserted after subsection (2)—
- “(2A) For the purposes of subsection (2)(b) above the appropriate fraction is—

$$\frac{A}{B}$$

where—

- A is the number of chargeable periods in the case of which—
- (a) the person has carried on the trade,
  - (b) the machinery or plant has belonged to him, and
  - (c) he has claimed an allowance falling to be made to him under this section by reference to expenditure incurred on the provision of the machinery or plant; and
- B is the number of chargeable periods in the case of which—
- (a) the person has carried on the trade,
  - (b) the machinery or plant has belonged to him, and
  - (c) an allowance falls to be made to him under this section by reference to expenditure incurred on the provision of the machinery or plant.”
- (3) Where—
- (a) at the beginning of the year 1990-91 machinery consisting of a mechanically propelled road vehicle is provided by a person for use in the performance of the duties of an office or employment held by him, and

Part II of the <sup>M17</sup>Capital Allowances Act 1990 shall have effect as if he had incurred capital expenditure on the provision of the machinery for the purposes of the office or employment in the year 1990-91, the amount of that expenditure being taken as the price which the machinery would have fetched if sold in the open market on 6th

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April 1990, and the machinery being treated as belonging to him in consequence of his having incurred that expenditure.

(4) This section shall apply for the year 1990-91 and subsequent years of assessment.

#### Marginal Citations

**M16** 1990 c. 1.

**M17** 1990 c. 1.

#### **88 Capital allowances: miscellaneous amendments.**

Schedule 13 to this Act shall have effect.

#### **89 Correction of errors in Taxes Act 1988.**

Schedule 14 to this Act shall have effect.

## CHAPTER II

### MANAGEMENT

#### *Returns and information*

#### **90 Income tax returns.**

(1) The following sections shall be substituted for sections 8 and 9 of the <sup>M18</sup>Taxes Management Act 1970 (return of income)—

##### **“8 Personal return.**

- (1) For the purposes of assessing a person to income tax, he may be required by a notice given to him by an inspector—
  - (a) to make and deliver to the inspector within the time limited by the notice a return containing such information as may be required in pursuance of the notice, and
  - (b) to deliver with the return such accounts and statements, relating to information contained in the return, as may be required in pursuance of the notice.
- (2) Every return under this section shall include a declaration by the person making the return to the effect that the return is to the best of his knowledge correct and complete.
- (3) A notice under this section may require different information, accounts and statements for different periods or in relation to different descriptions of source of income.
- (4) Notices under this section may require different information, accounts and statements in relation to different descriptions of person.

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### **8A Trustee's return.**

- (1) For the purpose of assessing a trustee of a settlement, and the settlors and beneficiaries, to income tax an inspector may by a notice given to the trustee require the trustee—
  - (a) to make and deliver to the inspector within the time limited by the notice a return containing such information as may be required in pursuance of the notice, and
  - (b) to deliver with the return such accounts and statements, relating to information contained in the return, as may be required in pursuance of the notice;
 and a notice may be given to any one trustee or separate notices may be given to each trustee or to such trustees as the inspector thinks fit.
- (2) Every return under this section shall include a declaration by the person making the return to the effect that the return is to the best of his knowledge correct and complete.
- (3) A notice under this section may require different information, accounts and statements for different periods or in relation to different descriptions of source of income.
- (4) Notices under this section may require different information, accounts and statements in relation to different descriptions of settlement.

### **9 Partnership return.**

- (1) Where a trade or profession is carried on by two or more persons jointly, for the purposes of making an assessment to income tax in the partnership name an inspector may act under subsection (2) or (3) below (or both).
- (2) An inspector may by a notice given to the partners require such person as is identified in accordance with rules given with the notice—
  - (a) to make and deliver to the inspector within the time limited by the notice a return containing such information as may be required in pursuance of the notice, and
  - (b) to deliver with the return such accounts and statements as may be required in pursuance of the notice.
- (3) An inspector may by a notice given to any partner require the partner—
  - (a) to make and deliver to the inspector within the time limited by the notice a return containing such information as may be required in pursuance of the notice, and
  - (b) to deliver with the return such accounts and statements as may be required in pursuance of the notice;
 and a notice may be given to any one partner or separate notices may be given to each partner or to such partners as the inspector thinks fit.
- (4) Every return under this section shall include—
  - (a) a declaration of the names and residences of the partners;
  - (b) a declaration by the person making the return to the effect that the return is to the best of his knowledge correct and complete.

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- (5) A notice under this section may require different information, accounts and statements for different periods or in relation to different descriptions of source of income.
- (6) Notices under this section may require different information, accounts and statements in relation to different descriptions of partnership.”
- (2) In section 12 of that Act (information about chargeable gains)—
  - (a) in subsection (1) for the words “Section 8” there shall be substituted the words “ Sections 8 and 8A ” and for the words “it applies” there shall be substituted the words “ they apply ”;
  - (b) in subsection (2) after the words “section 8” there shall be inserted the words “ or section 8A ”;
  - (c) in subsection (4) the words “of income of a partnership” shall be omitted.
- (3) In section 93 of that Act (penalties) in subsection (1) for the words “9 of this Act (or either” there shall be substituted the words “ 8A or 9 of this Act (or any ”.
- (4) In section 95 of that Act (penalties) in subsection (1)(a) for the words “9 of this Act (or either” there shall be substituted the words “ 8A or 9 of this Act (or any ”.
- (5) This section applies where a notice to deliver a return was, or falls to be, given after 5th April 1990.

#### Marginal Citations

M18 1970 c. 9.

F59<sup>91</sup> .....

#### Textual Amendments

F59 S. 91 repealed (31.7.1998 with effect in relation to accounting periods ending on or after the self-assessment appointed day within the meaning of section 117 of the amending Act) by 1998 c. 36, ss. 117, 165, Sch. 27 Pt. III(28) Note

## 92 Information powers relating to interest.

- (1) Section 17 of the <sup>M19</sup>Taxes Management Act 1970 (interest paid or credited by banks etc. without deduction of income tax) shall be amended as mentioned in subsections (2) and (3) below.
- (2) In subsection (1)—
  - (a) after the words “without deduction of income tax” there shall be inserted the words “ or after deduction of income tax ”;
  - (b) after the words “the amount of the interest” there shall be inserted the words “ actually paid or credited and (where the interest was paid or credited after deduction of income tax) the amount of the interest from which the tax was deducted and the amount of the tax deducted ”;
  - (c) paragraph (a) of the proviso shall be omitted.

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(3) The following subsections shall be inserted after subsection (4)—

“(5) The Board may by regulations provide as mentioned in all or any of the following paragraphs—

- (a) that a return under subsection (1) above shall contain such further information as is prescribed if the notice requiring the return specifies the information and requires it to be contained in the return;
- (b) that a person required to make and deliver a return under subsection (1) above shall furnish with the return such further information as is prescribed if the notice requiring the return specifies the information and requires it to be so furnished;
- (c) that if a person is required to furnish information under any provision made under paragraph (b) above, and the notice requiring the return specifies the form in which the information is to be furnished, the person shall furnish the information in that form;
- (d) that a notice under subsection (1) above shall not require prescribed information;

and in this subsection “prescribed” means prescribed by the regulations.

(6) Regulations under subsection (5) above—

- (a) shall be made by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons,
- (b) may make different provision in relation to different cases or descriptions of case, and
- (c) may include such supplementary, incidental, consequential or transitional provisions as appear to the Board to be necessary or expedient.”

(4) Section 18 of that Act (interest paid without deduction of income tax) shall be amended as mentioned in subsections (5) and (6) below.

(5) In subsection (1)—

- (a) after the words “without deduction of income tax” there shall be inserted the words “ or after deduction of income tax ”;
- (b) in paragraph (b) for the words “so paid or received” there shall be substituted the words “ actually paid or received and (where the interest has been paid or received after deduction of income tax) the amount of the interest from which the tax has been deducted and the amount of the tax deducted ”;
- (c) for the words “its amount” there shall be substituted the words “ the amount actually received and (where the interest has been received after deduction of income tax) the amount of the interest from which the tax has been deducted and the amount of the tax deducted ”.

(6) The following subsections shall be inserted after subsection (3A)—

“(3B) The Board may by regulations provide as mentioned in all or any of the following paragraphs—

- (a) that a person required to furnish information under subsection (1) above shall furnish at the same time such further information as is prescribed if the notice concerned specifies the information and requires it to be so furnished;

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- (b) that if a person is required to furnish information under subsection (1) above or under any provision made under paragraph (a) above, and the notice concerned specifies the form in which the information is to be furnished, the person shall furnish the information in that form;
- (c) that a notice under subsection (1) above shall not require prescribed information;

and in this subsection “prescribed” means prescribed by the regulations.

(3C) Regulations under subsection (3B) above—

- (a) shall be made by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons,
- (b) may make different provision in relation to different cases or descriptions of case, and
- (c) may include such supplementary, incidental, consequential or transitional provisions as appear to the Board to be necessary or expedient.”

(7) Subsections (1) to (3) above shall have effect as regards a case where interest is paid or credited in the year 1991-92 or a subsequent year of assessment.

(8) Subsections (4) to (6) above shall have effect as regards a case where interest is paid in the year 1991-92 or a subsequent year of assessment.

**Marginal Citations**

M19 1970 c. 9.

**93 Restrictions on Board’s power to call for information.**

(1) In section 20 of the <sup>M20</sup>Taxes Management Act 1970 (powers to call for information), after subsection (7) there shall be inserted—

“(7A) A notice under subsection (2) above is not to be given unless the Board have reasonable grounds for believing—

- (a) that the person to whom it relates may have failed or may fail to comply with any provision of the Taxes Acts; and
- (b) that any such failure is likely to have led or to lead to serious prejudice to the proper assessment or collection of tax.”

(2) This section shall apply with respect to notices given on or after the day on which this Act is passed.

**Marginal Citations**

M20 1970 c. 9.

*Status: Point in time view as at 31/07/1998.*

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#### Textual Amendments

- F60** S. 94 repealed (16.7.1992) (for claims made after 16.7.1992) by Finance (No. 2) Act 1992 (c. 48), ss. 28(5)(6), 82, Sch. 18 Pt.VII.

### *Corporation tax determinations*

**F61**95 .....

#### Textual Amendments

- F61** S. 95 repealed (31.7.1998 with effect in relation to accounting periods ending on or after the self-assessment appointed day within the meaning of section 117 of the amending Act) by 1998 c. 36, ss. 117, 165, Sch. 27 Pt. III(28) Note

## 96 Consequential group relief adjustments.

- (1) This section applies where—
  - (a) a determination of an amount for an accounting period of a company (“the surrendering company”) is made under section 41A of the <sup>M21</sup>Taxes Management Act 1970, and
  - (b) immediately after the determination, or a direction relating to it under section 41B of that Act, becomes final, the amount of relief of any description which the surrendering company consents to surrender by way of group relief for the period (“the surrendered amount”) exceeds the amount which, in relation to relief of that description, is the relevant amount for the period.
- (2) For the purposes of subsection (1) above, the amount which is, at any time, the relevant amount in relation to relief of any description for an accounting period of a company is—
  - (a) the amount of relief of that description available to the company for surrender by way of group relief for the period, less
  - (b) so much, if any, of that amount as represents relief given in an assessment on the surrendering company which has become final and conclusive.
- (3) The surrendering company shall make whatever adjustment of the surrendered amount is necessary in consequence of the determination or direction (“the necessary adjustment”) by reducing or withdrawing consent to surrender before the end of 30 days from the date on which the determination or direction becomes final.
- (4) If the surrendering company fails to make the necessary adjustment within the period mentioned in subsection (3) above, it shall be made—
  - (a) except where paragraph (b) below applies, in such manner as may be specified by the inspector by notice in writing to the surrendering company and to the company or, if more than one, each company whose claim for group relief is affected by the adjustment, or
  - (b) where the surrendering company gives notice in writing to the inspector within the relevant period, in such manner as may be specified in the notice given by the surrendering company.



*Status: Point in time view as at 31/07/1998.*

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- (5) For the purposes of subsection (4)(b) above the relevant period is the period of 30 days beginning with the day on which notice under subsection (4)(a) above is given to the surrendering company.
- (6) The power to make an assessment under section 412(3) of the Taxes Act 1988 (power to assess where inspector discovers that group relief which has been given is or has become excessive) shall also be exercisable where group relief which has been given becomes excessive in consequence of the making of the necessary adjustment.
- (7) Subsection (8) below applies where any tax to which a company (“the chargeable company”) becomes liable in consequence of the making of the necessary adjustment has been assessed on the company and is unpaid at the end of 6 months from the date on which the assessment becomes final and conclusive (“the relevant date”).
- (8) Any other company which has obtained group relief by virtue of a surrender by the surrendering company for the accounting period to which the necessary adjustment relates may, within 2 years from the relevant date, be assessed and charged (in the name of the chargeable company) to an amount not exceeding the lesser of—
  - (a) the amount of the unpaid tax, and
  - (b) the amount of tax which the other company saves by virtue of the surrender.
- (9) A company paying an amount of tax under subsection (8) above shall be entitled to recover from the chargeable company a sum equal to that amount together with any interest on that amount which it has paid under section 87A of the <sup>M22</sup>Taxes Management Act 1970.
- (10) An assessment by virtue of subsection (6) above shall not be out of time if made within one year from the date on which the determination or direction giving rise to the making of the necessary adjustment becomes final.
- <sup>F62</sup>(11) .....
- (12) In section 87A of the <sup>M23</sup>Taxes Management Act 1970 (interest on overdue corporation tax etc.) in subsection (3) after the words “1970” there shall be inserted the words “, section 96(8) of the Finance Act 1990”.

**Textual Amendments**

**F62** S. 96(11) repealed (31.7.1997 with effect, subject to the provisions of paragraph 9 of Schedule 7 to the amending Act, for accounting periods ending on or after 2nd July 1997) by 1997 c. 58, s. 52, Sch. 8 Pt. II(14) Note (with s. 3(3))

**Marginal Citations**

**M21** 1970 c. 9.  
**M22** 1970 c. 9.  
**M23** 1970 c. 9.

*Claims by companies*

<sup>F63</sup>97 .....

*Status: Point in time view as at 31/07/1998.*

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#### Textual Amendments

**F63** S. 97 repealed (31.7.1997 with effect in relation to tax credits in respect of distributions made on or after 6th April 1999) by 1997 c. 58, ss. 34, 52, Sch. 4 paras. 2(2), 3(2), **Sch. 8 Pt. II(9)** Note 1(with s. 3(3))

### 98 Repayment of income tax deducted at source.

- (1) The Taxes Act 1988 shall be amended as follows.
- (2) In section 7(2) (set off against corporation tax of income tax deducted from payments received by resident companies) the words from “and accordingly” to the end shall be omitted.
- <sup>F64</sup>(3) .....
- (4) In section 11(3) (set off against corporation tax of income tax deducted from payments received by non-resident companies) the words from “and accordingly” to the end shall be omitted.
- (5) This section applies in relation to income tax falling to be set off against corporation tax for accounting periods ending after the day appointed for the purposes of section 10 of the Taxes Act 1988 (pay and file).

#### Textual Amendments

**F64** S. 98(3) repealed (31.7.1998 in relation to accounting periods ending on or after the self-assessment appointed day within the meaning of s. 117 of the amending Act) by 1998 c. 36, ss. 117, 165, **Sch. 27 Pt. III** (28) Note

### 99 Loss relief.

- (1) The Taxes Act 1988 shall be amended as follows.
- (2) In section 393 (relief for trading losses) in subsection (1) (carry forward of losses on the making of a claim)—
  - (a) for the words “the company may make a claim requiring that the loss” there shall be substituted the words “ the loss shall ”, and
  - (b) for the words “on that claim” there shall be substituted the words “ under this subsection ”;
 and in subsection (11) (time limit for claims) the words from the beginning to “of six years; and” shall be omitted.
- (3) In section 396 (relief for Case VI losses on the making of a claim)—
  - (a) in subsection (1) for the words “the company may make a claim requiring that the loss” there shall be substituted the words “ the loss shall ”, and
  - (b) subsection (3) (time limit for claims) shall cease to have effect.
- (4) This section applies in relation to accounting periods ending after the day appointed for the purposes of section 10 of the Taxes Act 1988 (pay and file).

*Status: Point in time view as at 31/07/1998.*

*Changes to legislation: Finance Act 1990 is up to date with all changes known to be in force on or before 28 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)*

F65 **100** .....

**Textual Amendments**

**F65** S. 100 repealed (31.7.1998 with effect in relation to accounting periods ending on or after the self-assessment appointed day within the meaning of [section 117](#) of the amending Act) by [1998 c. 36, ss. 117, 165, Sch. 27 Pt. III](#) (28) Note

**101 Group relief: relieved losses**

(1) The following section shall be inserted after section 411 of the Taxes Act 1988—

**“411A Group relief by way of substitution for loss relief.**

- (1) Group relief may be given in respect of a loss notwithstanding that relief has been given in respect of it under section 393(1).
  - (2) Where group relief in respect of a loss is given by virtue of subsection (1) above, all such assessments or adjustments of assessments shall be made as may be necessary to withdraw the relief in respect of the loss given under section 393(1).
  - (3) An assessment under subsection (2) above shall not be out of time if it is made within one year from the date on which the surrendering company gave the inspector notice of consent to surrender relating to the loss.
  - (4) For the purposes of this section relief under section 393(1) shall be treated as given for losses incurred in earlier accounting periods before losses incurred in later accounting periods.”
- (2) This section has effect as respects claims for group relief for accounting periods ending after the day appointed for the purposes of section 10 of the Taxes Act 1988 (pay and file).

F66 **102** .....

**Textual Amendments**

**F66** S. 102 repealed (31.7.1998 with effect in relation to accounting periods ending on or after the self-assessment appointed day within the meaning of [section 117](#) of the amending Act) by [1998 c. 36, ss. 117, 165, Sch. 27 Pt. III](#) (28) Note

**103 Capital allowances: assimilation to claims by individuals.**

- (1) Schedule 17 to this Act (which amends the Capital Allowances Act 1990 for the purpose of assimilating claims by companies to claims by individuals) shall have effect.

*Status: Point in time view as at 31/07/1998.*

*Changes to legislation: Finance Act 1990 is up to date with all changes known to be in force on or before 28 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)*

- (2) This section has effect as respects allowances and charges falling to be made for chargeable periods ending after the day appointed for the purposes of section 10 of the Taxes Act 1988 (pay and file).

*Miscellaneous*

**104 Officers.**

- (1) In section 1 of the <sup>M24</sup>Taxes Management Act 1970 (appointment of inspectors etc.) the following subsections shall be inserted after subsection (2)—
- “(2A) The Board may appoint a person to be an inspector or collector for general purposes or for such specific purposes as the Board think fit.
- (2B) Where in accordance with the Board’s administrative practices a person is authorised to act as an inspector or collector for specific purposes, he shall be deemed to have been appointed to be an inspector or collector for those purposes.”
- (2) In section 55 of that Act (recovery of tax not postponed)—
- (a) in subsection (7) for the words “the inspector” there shall be substituted the words “an inspector”;
- (b) in subsection (10) for the words “this section”, in the first place where they occur, there shall be substituted the words “subsection (3) above”.
- (3) The amendment made by subsection (1) above shall be deemed always to have had effect.
- (4) The amendments made by subsection (2) above shall apply where notice of appeal is given on or after the day on which this Act is passed.

**Marginal Citations**

**M24** 1970 c. 9.

**105 Recovery of excessive repayments of tax.**

- (1) In section 30 of the <sup>M25</sup>Taxes Management Act 1970 (recovery of excessive repayments of tax) the following subsection shall be inserted after subsection (1)—
- “(1A) Subsection (1)
- above shall not apply where the amount of tax which has been repaid is assessable under section 29 of this Act.”
- (2) This section applies in relation to amounts of tax repaid on or after the day on which this Act is passed.

**Marginal Citations**

**M25** 1970 c. 9.

*Status: Point in time view as at 31/07/1998.*

*Changes to legislation: Finance Act 1990 is up to date with all changes known to be in force on or before 28 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)*

## 106 Corporation tax: collection.

In section 10 of the Taxes Act 1988 (time for payment of tax) the following subsection shall be substituted for subsection (2)—

“(2) Where by virtue of subsection (1)(a) above corporation tax for an accounting period of a company is due without the making of an assessment, the amount for the time being shown in a return by the company under section 11 of the Management Act (corporation tax return) as the corporation tax for the period shall be treated for the purposes of Part VI of the Management Act (collection and recovery) as tax charged and due and payable under an assessment on the company.”

## PART III

### STAMP DUTY AND STAMP DUTY RESERVE TAX

#### *Repeals*

## 107 Bearers: abolition of stamp duty.

- (1) Stamp duty shall not be chargeable under the heading “Bearer Instrument” in Schedule 1 to the <sup>M26</sup>Stamp Act 1891.
- (2) Subsection (1) above applies to an instrument which falls within section 60(1) of the <sup>M27</sup>Finance Act 1963 if it is issued on or after the abolition day.
- (3) Subsection (1) above applies to an instrument which falls within section 60(2) of that Act if the stock constituted by or transferable by means of it is transferred on or after the abolition day.
- (4) In subsection (2) above the reference to section 60(1) of the <sup>M28</sup>Finance Act 1963 includes a reference to section 9(1)(a) of the Finance Act (Northern Ireland) 1963 and in subsection (3) above the reference to section 60(2) of the former Act includes a reference to section 9(1)(b) of the latter.

#### **Marginal Citations**

**M26** 1891 c. 39.

**M27** 1963 c. 25.

**M28** 1963 c. 22 (N.I.).

## 108 Transfer of securities: abolition of stamp duty.

- (1) Where defined securities are transferred to or vested in a person by an instrument, stamp duty shall not be chargeable on the instrument.
- (2) In this section “defined securities” means—
  - (a) stocks, shares or loan capital,
  - (b) interests in, or in dividends or other rights arising out of, stocks, shares or loan capital,

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- (c) rights to allotments of or to subscribe for, or options to acquire or to dispose of, stocks, shares or loan capital, and
  - (d) units under a unit trust scheme.
- (3) In this section “loan capital” means—
- (a) any debenture stock, corporation stock or funded debt, by whatever name known, issued by a government or a body corporate or other body of persons (which here includes a local authority and any body whether formed or established in the United Kingdom or elsewhere);
  - (b) any capital raised by a government, or by such a body as is mentioned in paragraph (a) above, if the capital is borrowed or has the character of borrowed money, and whether it is in the form of stock or any other form;
  - (c) stock or marketable securities issued by a government.
- (4) In this section “unit” and “unit trust scheme” have the same meanings as they had in Part VII of the <sup>M29</sup>Finance Act 1946 immediately before the abolition day.
- (5) In this section references to a government include references to a government department, including a Northern Ireland department.
- (6) In this section “government” means the government of the United Kingdom or of Northern Ireland or of any country or territory outside the United Kingdom.
- (7) Subject to subsection (8) below, this section applies if the instrument is executed in pursuance of a contract made on or after the abolition day.
- (8) In the case of an instrument—
- (a) which falls within section 67(1) or (9) of the <sup>M30</sup>Finance Act 1986 (depository receipts) or section 70(1) or (9) of that Act (clearance services), or
  - (b) which does not fall within section 67(1) or (9) or section 70(1) or (9) of that Act and is not executed in pursuance of a contract,
- this section applies if the instrument is executed on or after the abolition day.

#### **Marginal Citations**

**M29** 1946 c. 64.

**M30** 1986 c. 41.

### **109 Stamp duty: other repeals.**

- (1) Section 83 of the <sup>M31</sup>Stamp Act 1891 (fine for certain acts relating to securities) shall not apply where an instrument of assignment or transfer is executed, or a transfer or negotiation of the stock constituted by or transferable by means of a bearer instrument takes place, on or after the abolition day.
- (2) The following provisions (which relate to the cancellation of certain instruments) shall not apply where the stock certificate or other instrument is entered on or after the abolition day—
  - (a) section 109(1) of the Stamp Act 1891,
  - (b) section 5(2) of the <sup>M32</sup>Finance Act 1899,
  - (c) section 56(2) of the Finance Act 1946, and
  - (d) section 27(2) of the <sup>M33</sup>Finance (No. 2) Act (Northern Ireland) 1946.

*Status: Point in time view as at 31/07/1998.*

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- (3) Section 67 of the <sup>M34</sup>Finance Act 1963 (prohibition of circulation of blank transfers) shall not apply where the sale is made on or after the abolition day; and section 16 of the <sup>M35</sup>Finance Act (Northern Ireland) 1963 (equivalent provision for Northern Ireland) shall not apply where the sale is made on or after the abolition day.
- (4) No person shall be required to notify the Commissioners under section 68(1) or (2) or 71(1) or (2) of the Finance Act 1986 (depository receipts and clearance services) if he first issues the receipts, provides the services or holds the securities as there mentioned on or after the abolition day.
- (5) No company shall be required to notify the Commissioners under section 68(3) or 71(3) of that Act if it first becomes aware as there mentioned on or after the abolition day.
- (6) The following provisions shall cease to have effect—
  - (a) section 56(1), (3) and (4) and section 57(2) to (4) of the Finance Act 1946 (unit trusts),
  - (b) section 27(1), (3) and (4) and section 28(2) to (4) of the <sup>M36</sup>Finance (No. 2) Act (Northern Ireland) 1946 (unit trusts),
  - (c) section 33 of the <sup>M37</sup>Finance Act 1970 (composition by financial institutions in respect of stamp duty),
  - (d) section 127(7) of the <sup>M38</sup>Finance Act 1976 (extension of composition provisions to Northern Ireland), and
  - (e) section 85 of the <sup>M39</sup>Finance Act 1986 (provisions about stock, marketable securities, etc.).
- (7) The provisions mentioned in subsection (6) above shall cease to have effect as provided by the Treasury by order.
- (8) An order under subsection (7) above—
  - (a) shall be made by statutory instrument;
  - (b) may make different provision for different provisions or different purposes;
  - (c) may include such supplementary, incidental, consequential or transitional provisions as appear to the Treasury to be necessary or expedient.
- (9) Nothing in this section shall affect the application of section 56 of the <sup>M40</sup>Finance Act 1946 or section 27 of the Finance (No. 2) Act (Northern Ireland) 1946 by section 259 of the <sup>M41</sup>Inheritance Tax Act 1984.

#### Marginal Citations

- M31** 1891 c. 39.  
**M32** 1899 c. 9.  
**M33** 1946 c. 17 (N.I.).  
**M34** 1963 c. 25.  
**M35** 1963 c. 22 (N.I.).  
**M36** 1946 c. 17 (N.I.).  
**M37** 1970 c. 24.  
**M38** 1976 c. 40.  
**M39** 1986 c. 41.  
**M40** 1946 c. 64.  
**M41** 1984 c. 51.

*Status: Point in time view as at 31/07/1998.*

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## 110 Stamp duty reserve tax: abolition.

- (1) Stamp duty reserve tax shall cease to be chargeable.
- (2) In relation to the charge to tax under section 87 of the Finance Act 1986 subsection (1) above applies where—
  - (a) the agreement to transfer is conditional and the condition is satisfied on or after the abolition day, or
  - (b) the agreement is not conditional and is made on or after the abolition day.
- (3) In relation to the charge to tax under section 93(1) of that Act subsection (1) above applies where securities are transferred, issued or appropriated on or after the abolition day (whenever the arrangement was made).
- (4) In relation to the charge to tax under section 96(1) of that Act subsection (1) above applies where securities are transferred or issued on or after the abolition day (whenever the arrangement was made).
- (5) In relation to the charge to tax under section 93(10) of that Act subsection (1) above applies where securities are issued or transferred on sale, under terms there mentioned, on or after the abolition day.
- (6) In relation to the charge to tax under section 96(8) of that Act subsection (1) above applies where securities are issued or transferred on sale, under terms there mentioned, on or after the abolition day.
- (7) Where before the abolition day securities are issued or transferred on sale under terms mentioned in section 93(10) of that Act, in construing section 93(10) the effect of subsections (1) and (3) above shall be ignored.
- (8) Where before the abolition day securities are issued or transferred on sale under terms mentioned in section 96(8) of that Act, in construing section 96(8) the effect of subsections (1) and (4) above shall be ignored.

## 111 General.

- (1) In sections 107 to 110 above “the abolition day” means such day as may be appointed by the Treasury by order made by statutory instrument.
- (2) Sections 107 to 109 above shall be construed as one with the <sup>M42</sup>Stamp Act 1891.

### Marginal Citations

**M42** 1891 c. 39.

### *Paired shares*

## 112 Stamp duty.

- (1) In section 143 of the <sup>M43</sup>Finance Act 1988 (paired shares) in subsection (1)(b) for the words “an equal number of” there shall be substituted the word “ other ”.
- (2) Subsection (1) above applies where—



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- (a) the offers referred to in section 143(1) are made, or are to be made, on or after the day on which this Act is passed, and
- (b) before the offers are made, or are to be made, units comprising shares in the two companies concerned were offered (whether before or on or after the day on which this Act is passed) in circumstances where section 143 applied without the amendment made by subsection (1) above.

#### Marginal Citations

M43 1988 c. 39.

### 113 Stamp duty reserve tax.

- (1) Section 99 of the <sup>M44</sup>Finance Act 1986 (stamp duty reserve tax: interpretation) shall be amended as follows.
- (2) In subsection (6A) (paired shares) in paragraph (b) for the words “an equal number of” there shall be substituted the word “other”.
- (3) The following subsection shall be inserted after subsection (6A)—

“(6B) For the purposes of subsection (4) above, shares issued by a body corporate which is not incorporated in the United Kingdom (“the foreign company”) are paired with shares issued by a body corporate which is so incorporated (“the UK company”) where—

  - (a) the articles of association of the UK company and the equivalent instruments governing the foreign company each provide that no share in the company to which they relate may be transferred otherwise than as part of a unit comprising one share in that company and one share in the other, and
  - (b) the shares issued by the foreign company, and the shares issued by the UK company, are issued to give effect to an allotment of the shares (as part of such units) as fully or partly paid bonus shares.”
- (4) In subsection (9) for the words “subsection (6A)” there shall be substituted the words “subsections (6A) and (6B)”.
- (5) Subsection (2) above applies where—
  - (a) the offers referred to in section 99(6A) are made on or after the day on which this Act is passed, and
  - (b) before the offers are made, units comprising shares in the two companies concerned were offered (whether before or on or after the day on which this Act is passed) in circumstances where section 99(6A) applied without the amendment made by subsection (2) above.
- (6) Subsections (3) and (4) above apply where—
  - (a) the shares referred to in section 99(6B) are issued on or after the day on which this Act is passed, and
  - (b) before they are issued, units comprising shares in the two companies concerned were offered (whether before or on or after the day on which this Act is passed) in circumstances where section 99(6A) applied without the amendment made by subsection (2) above.

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**Marginal Citations**

**M44** 1986 c. 41.

*International organisations*

**114 International organisations.**

(1) In section 126 of the <sup>M45</sup>Finance Act 1984 (tax exemptions in relation to designated international organisations) in subsection (3) the following paragraph shall be inserted after paragraph (c)—

“(d) no stamp duty reserve tax shall be chargeable under section 93 (depository receipts) or 96 (clearance services) of the Finance Act 1986 in respect of the issue of securities by the organisation.”

(2) Where an organisation or body is designated under section 126(1) or (4) before the day on which this Act is passed, subsection (1) above applies in relation to the issue of securities by the organisation or body on or after that day.

(3) Where an organisation or body is designated under section 126(1) or (4) on or after the day on which this Act is passed, subsection (1) above applies in relation to the issue of securities by the organisation or body after the designation.

**Marginal Citations**

**M45** 1984 c. 43.

**PART IV**

MISCELLANEOUS AND GENERAL

*Ports levy*

<sup>F67</sup>**115** .....

**Textual Amendments**

**F67** Ss. 115-120 repealed (1.5.1995) by 1995 c. 4, ss. 159(2), 162, **Sch. 29 Pt. XII**

<sup>F68</sup>**116** .....

**Textual Amendments**

**F68** Ss. 115-120 repealed (1.5.1995) by 1995 c. 4, ss. 159(2), 162, **Sch. 29 Pt. XII**

*Status: Point in time view as at 31/07/1998.*

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F69 117 .....

**Textual Amendments**

F69 Ss. 115-120 repealed (1.5.1995) by 1995 c. 4, ss. 159(2), 162, Sch. 29 Pt. XII

F70 118 .....

**Textual Amendments**

F70 Ss. 115-120 repealed (1.5.1995) by 1995 c. 4, ss. 159(2), 162, Sch. 29 Pt. XII

F71 119 .....

**Textual Amendments**

F71 Ss. 115-120 repealed (1.5.1995) by 1995 c. 4, ss. 159(2), 162, Sch. 29 Pt. XII

F72 120 .....

**Textual Amendments**

F72 Ss. 115-120 repealed (1.5.1995) by 1995 c. 4, ss. 159(2), 162, Sch. 29 Pt. XII

*Petroleum revenue tax*

**121 Limit on PRT repayment interest where loss carried back.**

- (1) Schedule 2 to the <sup>M46</sup>Oil Taxation Act 1975 (management and collection of PRT) shall be amended as follows.
- (2) At the beginning of paragraph 16 (interest on repayments)  
there shall be inserted the words “ Subject to paragraph 17 below ”.
- (3) After that paragraph there shall be inserted the following paragraph—

“<sup>17</sup>  
(1) This paragraph applies where—

- (a) an assessment made on a participator for a chargeable period or an amendment of such an assessment (in this paragraph referred to as “the relevant assessment or amendment”) gives effect to relief under subsection (2) or subsection (3) of section 7 of this Act for one or more allowable losses accruing in a later chargeable period (in

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- this paragraph referred to, in relation to the relevant assessment or amendment, as “the relief for losses carried back”); and
- (b) the later chargeable period referred to in paragraph (a) above ends after 30th June 1991; and
  - (c) an amount of tax becomes repayable to the participator by virtue of the relevant assessment or amendment (whether wholly or partly by reason of giving effect to the relief for losses carried back).
- (2) In the following provisions of this paragraph, so much of the repayment of tax referred to in sub-paragraph (1)(c) above as is attributable to giving effect to the relief for losses carried back is referred to as “the appropriate repayment”.
- (3) For the purpose of determining the amount of the appropriate repayment in a case where the relevant assessment or amendment not only gives effect to the relief for losses carried back but also takes account of any other matter (whether a relief or not) which goes to reduce the assessable profit of the period in question or otherwise to reduce the tax payable for that period, the amount of the repayment which is attributable to the relief for losses carried back is the difference between—
- (a) the total amount of tax repayable by virtue of the relevant assessment or amendment; and
  - (b) the amount of tax (if any) which would have been so repayable if no account had been taken of the relief for losses carried back.
- (4) Where this paragraph applies, the amount of interest which, by virtue of paragraph 16 above, is carried by the appropriate repayment shall not exceed the difference between—
- (a) 85 per cent. of the allowable loss or losses referred to in sub-paragraph (1)(a) above; and
  - (b) the amount of the appropriate repayment.”

**Marginal Citations**

**M46** 1975 c. 22.

**122 Variation, on account of fraudulent or negligent conduct, of decision on expenditure claim etc.**

- (1) In the <sup>M47</sup>Oil Taxation Act 1975, in Schedule 5 (allowance of certain expenditure on a claim by the responsible person) paragraph 9 (variation of decision on a claim where the amount of expenditure allowed etc. was incorrectly stated in the notice of the decision) shall be amended in accordance with subsections (2) to (4) below.
- (2) After sub-paragraph (1) there shall be inserted the following sub-paragraphs—
  - “(1A) In any case falling within sub-paragraph (1B)
    - below, sub-paragraph (1) above shall have effect—
    - (a) with the substitution for the words “within the period of three years commencing with” of the words “at any time after”; and
    - (b) with the omission of the words “before the expiry of that period”.
  - (1B) The cases referred to in sub-paragraph (1A)

*Status: Point in time view as at 31/07/1998.*

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above are those where—

- (a) the incorrect statement of the relevant amount in the notice of the decision mentioned in sub-paragraph (1) above was an over-statement of that amount; and
- (b) that over-statement was, in whole or in part, referable to an error in a statement or declaration made in connection with the claim; and
- (c) at least one of the conditions in sub-paragraph (1C) below is fulfilled with respect to that error.

(1C) The conditions referred to in sub-paragraph (1B)(c)

above are—

- (a) that the error was attributable, in whole or in part, to the fraudulent or negligent conduct of the responsible person or a person acting on his behalf;
- (b) that paragraph (a) above does not apply but, on the error coming to the notice of the person by whom the statement or declaration was made or a person acting on his behalf, the error was not remedied without unreasonable delay; and
- (c) that paragraph (a) above does not apply but, on the error coming to the notice of any person who subsequently becomes the responsible person, the error was not remedied without unreasonable delay.”

(3) After sub-paragraph (2) there shall be inserted the following sub-paragraph—

“(2A) In any case where—

- (a) the relevant amount which was incorrectly stated is a part of any expenditure falling within paragraph (c) of sub-paragraph (2) above (in this sub-paragraph referred to as a “paragraph (c) amount”), and
- (b) under sub-paragraph (1B)(a) above the question arises whether the incorrect statement was an over-statement,

that question shall be determined by comparing the total amount which, in accordance with the notice of decision containing the incorrect statement, was brought into account under section 2(9)(b)(ii) of this Act with the total amount which would have been so brought into account if the paragraph (c) amounts stated in that notice had been correct”.

(4) For sub-paragraph (11) there shall be substituted the following sub-paragraph—

“(11) In a case falling within sub-paragraph (1B) above, this paragraph has effect in relation to notices of decisions of the Board under paragraph 3 above whenever given; and, in any other case, this paragraph has effect in relation to such notices given after 15th March 1983.”

(5) In the Table set out in paragraph 2 of Schedule 6 to the <sup>M48</sup>Oil Taxation Act 1975 (which modifies Schedule 5 in its application to a claim under Schedule 6) in the second column relating to paragraph 9 of Schedule 5 there shall be inserted— “Omit sub-paragraph (1C)(c).”

(6) In the Table set out in paragraph 1(3) of Schedule 7 to the <sup>M49</sup>Oil Taxation Act 1975 (which modifies Schedule 5 in its application to Schedules 7 and 8), in the entry in the second column relating to paragraph 9 of Schedule 5,—

- (a) at the beginning insert “In sub-paragraph (1C) omit paragraph (c)”; and

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(b) after “(b) and (c)” insert “ omit sub-paragraph (2A) ”.

#### Marginal Citations

M47 1975 c. 22.  
M48 1975 c. 22.  
M49 1975 c. 22.

### Miscellaneous

<sup>F73</sup> 123 .....

#### Textual Amendments

F73 S. 123 repealed (31.7.1998 - this repeal does not have effect in relation to gas levy for the year 1997/1998 or any previous year) by 1998 c. 36, s. 165, Sch. 27 Pt. V(3) Note 1

#### 124 Inheritance tax: restriction on power to require information.

(1) In section 219 of the <sup>M50</sup>Inheritance Tax Act 1984 (power to require information), after subsection (1) there shall be inserted—

“(1A) A notice under this section is not to be given except with the consent of a Special Commissioner and the Commissioner is to give his consent only on being satisfied that in all the circumstances the Board are justified in proceeding under this section.”

(2) This section shall apply with respect to notices given on or after the day on which this Act is passed.

#### Marginal Citations

M50 1984 c. 51.

#### 125 Information for tax authorities in other member States.

(1) Subsections (1) to (8) and (8C) to (9) of section 20 of the <sup>M51</sup>Taxes Management Act 1970 (powers to call for information relevant to liability to income tax, corporation tax or capital gains tax) shall have effect as if the references in those provisions to tax liability included a reference to liability to a tax of a member State other than the United Kingdom which is a tax on income or on capital for the purposes of the <sup>M52</sup>Directive of the Council of the European Communities dated 19th December 1977 No. 77/799/EEC.

(2) In their application by virtue of subsection (1) above those provisions shall have effect as if—

(a) the reference in section 20(7A) to any provision of the Taxes Acts were a reference to any provision of the law of the member State in accordance with which the tax in question is charged,

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- (b) the references in subsection (2) of section 20B to an appeal relating to tax were references to an appeal, review or similar proceedings under the law of the member State relating to the tax in question, and
  - (c) the reference in subsection (6) of that section to believing that tax has or may have been lost to the Crown were a reference to believing that the tax in question has or may have been lost to the member State.
- (3) Section 219 of the Inheritance Tax Act 1984 (power to require information for purposes of that Act) shall have effect as if the reference to that Act in subsection (1) of that section included a reference to any provision of the law of a member State other than the United Kingdom in accordance with which there is charged any tax—
- (a) which is of a character similar to that of inheritance tax or is chargeable on or by reference to death or gifts inter vivos, and
  - (b) in relation to which the Directive mentioned in subsection (1) above has effect by virtue of any other Directive of the Council (whether adopted before or after the passing of this Act) extending that Directive.
- (4) In its application by virtue of subsection (3) above section 219 shall have effect as if the reference to income tax in subsection (2) of that section included a reference to any tax of a member State other than the United Kingdom such as is mentioned in subsection (1) above.
- (5) In section 77 of the <sup>M53</sup>Finance Act 1978 (disclosure of information to tax authorities of member States: obligation of secrecy) references to the Directive mentioned in subsection (1) above shall include a reference to that Directive as extended by any other Directive of the Council (whether adopted before or after the passing of this Act) to any taxes of a character similar to that of inheritance tax or chargeable on or by reference to death or gifts inter vivos.
- (6) Subsections (1) and (2) above shall apply with respect to notices given on or after the day on which this Act is passed, subsections (3) and (4) above shall apply with respect to notices given on or after such day as the Treasury may by order made by statutory instrument appoint and subsection (5) above shall come into force on that day.

#### **Marginal Citations**

**M51** 1970 c. 9.

**M52** O.J. No. L366/15.

**M53** 1978 c. 42.

## **126 Pools payments for football ground improvements.**

- (1) This section applies to any payment (including a payment made before the passing of this Act) which, in consequence of the reduction in pool betting duty effected by section 4 above, is made by a person liable to pay that duty in order to meet, directly or indirectly, capital expenditure incurred (whether by the person to whom it is made or any other person) in improving the safety or comfort of spectators at a ground to be used for the playing of association football.
- (2) Where a person carrying on a trade makes a payment to which this section applies, the payment may be deducted in computing for tax purposes the [<sup>F74</sup>profits] of the trade.
- (3) A payment to which this section applies shall not be regarded as an annual payment.

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- (4) Section 153 of the <sup>M54</sup>Capital Allowances Act 1990 shall not apply to expenditure of the kind mentioned in subsection (1) above in so far as it has been or is to be met, directly or indirectly, out of a payment to which this section applies.
- (5) Where a payment to which this section applies is made to trustees, the sum received by them and any assets representing it (but not any income or gains arising from them) shall not be relevant property for the purposes of Chapter III of Part III of the <sup>M55</sup>Inheritance Tax Act 1984.

#### Textual Amendments

**F74** Words in s. 126(2) substituted (31.7.1998) by 1998 c. 36, s. 46(3)(b), Sch. 7 para. 5

#### Marginal Citations

**M54** 1990 c. 1.

**M55** 1984 c. 51.

## 127 Definition of “local authority” for certain tax purposes.

- (1) In the Taxes Act 1988 the following section shall be inserted after section 842—

### “842A Local authorities.

- (1) Except so far as the context otherwise requires, in the Tax Acts “local authority” means—
- (a) in relation to England and Wales, an authority of a description specified for the purposes of this paragraph,
  - (b) in relation to Scotland, an authority of a description specified for the purposes of this paragraph, and
  - (c) in relation to Northern Ireland, an authority of a description specified for the purposes of this paragraph.
- (2) The following are the descriptions of authority specified for the purposes of paragraph (a) of subsection (1) above—
- (a) a charging authority for the purposes of the Local Government Finance Act 1988;
  - (b) a precepting authority for the purposes of that Act;
  - (c) a body having power by virtue of regulations under section 74 of that Act to issue a levy;
  - (d) a body having power by virtue of regulations under section 75 of that Act to issue a special levy;
  - (e) a combined police authority established by an amalgamation scheme under the Police Act 1964;
  - (f) a fire authority constituted by a combination scheme under the Fire Services Act 1947;
  - (g) an authority having power to make or determine a rate.
- (3) The following are the descriptions of authority specified for the purposes of paragraph (b) of subsection (1) above—
- (a) a regional council;



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- (b) an islands council;
- (c) a district council;
- (d) a joint board or committee within the meaning of the Local Government (Scotland) Act 1973;
- (e) an authority having power to requisition any sum from an authority falling within any of paragraphs (a) to (c) above.

(4) The following are the descriptions of authority specified for the purposes of paragraph (c) of subsection (1) above—

- (a) an authority having power to make or determine a rate;
- (b) an authority having power to issue a precept, requisition or other demand for the payment of money to be raised out of a rate.

(5) In this section “rate” means a rate the proceeds of which are applicable for public local purposes and which is leviable by reference to the value of land or other property.”

<sup>F75</sup>(2) . . . . .

(3) Schedule 18 to this Act (consequential amendments) shall have effect.

(4) This section shall be deemed to have come into force on 1st April 1990.

#### Textual Amendments

**F75** S. 127(2) 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.60, 101(1), 201(3), [Sch. 11](#) paras. 20, 22, 26(2), 27).

### 128 Repayment of fees and charges.

(1) This section applies where at the beginning of the day on which this Act is passed—

- (a) an enactment confers power to make provision for payment of a fee or charge (however described), and
- (b) sums paid in pursuance of provision made in exercise of the power are payable into the Consolidated Fund.

(2) Subject to subsection (3) below, the enactment shall be treated as also conferring power to make provision about repayment of sums paid, or purported to be paid, in pursuance of provision made in exercise of the power.

(3) Subsection (2) above shall not apply if the fee or charge is one—

- (a) repayment of which is prohibited or regulated by an enactment, or
- (b) power to make provision about repayment of which is expressly conferred, or expressly negated, to any extent.

(4) Without prejudice to the generality of the power conferred by virtue of subsection (2) above, the provision which may be made by virtue of that subsection includes provision—

- (a) that repayment shall be made only if a specified person is satisfied that specified conditions are met or in other specified circumstances;
- (b) that repayment shall be made in part only;

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- (c) that, in the case of partial repayment, the amount repaid shall be a specified sum or determined in a specified manner; and
  - (d) for repayment of different amounts in different circumstances.
- (5) In subsection (4) above “specified” means specified in the instrument exercising the power.
- (6) In determining for the purposes of this section whether sums are payable into the Consolidated Fund, section 3 of the <sup>M56</sup>Government Trading Funds Act 1973 (payments into a trading fund) shall be disregarded.
- (7) In this section “enactment” includes Northern Ireland legislation as defined in section 24(5) of the <sup>M57</sup>Interpretation Act 1978.
- (8) An Order in Council under paragraph 1(1)(b) of Schedule 1 to the <sup>M58</sup>Northern Ireland Act 1974 (legislation for Northern Ireland in the interim period) which states that it is made only for purposes corresponding to those of this section—
- (a) shall not be subject to sub-paragraphs (4) and (5) of paragraph 1 of that Schedule (affirmative resolution of both Houses of Parliament); but
  - (b) shall be subject to annulment in pursuance of a resolution of either House.

**Modifications etc. (not altering text)**

- C6** S. 128 extended (16.7.1992) by Finance (No. 2) Act 1992 (c. 48), s. 13(3)  
S. 128 extended (3.5.1994) by 1994 c. 9, s. 5, Sch. 2 para. 28  
S. 128 amended (1.9.1994) by 1994 c. 22, ss. 58(2), 66(1) (with s. 57(4))

**Marginal Citations**

- M56** 1973 c. 63.  
**M57** 1978 c. 30.  
**M58** 1974 c. 28.

**129 Settlement of stock disputes by deputy registrars.**

In section 5 of the <sup>M59</sup>National Debt Act 1972 (settlement by Chief Registrar of friendly societies of disputes as to holdings on National Savings Stock Register)—

- (a) in subsection (1), after the words “Chief Registrar of friendly societies” there shall be inserted the words “ or a deputy appointed by him ”,
- (b) in subsection (2), after the words “Chief Registrar” there shall be inserted the words “ or deputy ”,
- (c) in subsection (3)(a), after the words “Chief Registrar of friendly societies” there shall be inserted the words “ or a deputy appointed by him ”, and
- (d) subsection (3)(b) shall cease to have effect.

**Marginal Citations**

- M59** 1972 c. 65.

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### 130 Limit for local loans.

In section 4(1) of the <sup>M60</sup>National Loans Act 1968 (which provides that the aggregate of any commitments of the Public Works Loan Commissioners in respect of undertakings to grant local loans and any amount outstanding in respect of the principal of such loans shall not exceed £42,000 million or such other sum not exceeding £50,000 million as the Treasury may specify by order) for the words “£42,000 million” and “£50,000 million” there shall be substituted respectively “ £55,000 million ” and “ £70,000 million ”.

#### Marginal Citations

**M60** 1968 c. 13.

#### General

### 131 Interpretation etc.

- (1) In this Act “the Taxes Act 1970” means the <sup>M61</sup>Income and Corporation Taxes Act 1970 and “the Taxes Act 1988” means the <sup>M62</sup>Income and Corporation Taxes Act 1988.
- (2) Chapter II of Part I of this Act shall be construed as one with the <sup>M63</sup>Value Added Tax Act 1983.
- (3) Part II of this Act, so far as it relates to capital gains tax, shall be construed as one with the <sup>M64</sup>Capital Gains Tax Act 1979.

#### Marginal Citations

**M61** 1970 c. 10.

**M62** 1988 c. 1.

**M63** 1983 c. 55.

**M64** 1979 c. 14.

### 132 Repeals.

The enactments specified in Schedule 19 to this Act (which include spent or unnecessary enactments) are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.

### 133 Short title.

This Act may be cited as the Finance Act 1990.

**Status:**

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**Changes to legislation:**

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