



# Finance Act 1990

## CHAPTER 29

### FINANCE ACT 1990

#### PART I

#### CUSTOMS AND EXCISE AND VALUE ADDED TAX

##### CHAPTER I

##### CUSTOMS AND EXCISE

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## Part II — AMENDMENTS OF PART I OF SCHEDULE 4 TO THE 1971 ACT

- 1 Part I of Schedule 4 to the 1971 Act (annual...
- 2 (1) Paragraph 1 (vehicles chargeable at the basic rate of...
- 3 In paragraph 2 for the words “7.5 tonnes” there shall...
- 4 In paragraph 3— (a) in sub-paragraph (1) for the words...
- 5 In paragraph 4(1) for the words “12 tonnes” there shall...
- 6 (1) Paragraph 5 (special types of vehicle) shall be amended...
- 7 (1) Paragraph 6 (farmers' goods vehicles and showmen's goods vehicles)...
- 8 Paragraph 7 shall cease to have effect.
- 9 In paragraph 15(1) (interpretation) the following definition shall be inserted...

## Part III — AMENDMENTS OF PART I OF SCHEDULE 4 TO THE 1972 ACT

- 10 The amendments set out in paragraphs 2 to 9, except...
- 11 In paragraph 5(1) of Part I of Schedule 4 to...

## Part IV — TABLES SUBSTITUTED IN PART II OF SCHEDULE 4 TO THE 1971 ACT AND THE 1972 ACT

## SCHEDULE 3 — Entry of Goods on Importation

- 1 The Customs and Excise Management Act 1979 shall be amended...
- 2 (1) Section 37A (initial and supplementary entries) shall be amended...
- 3 (1) Section 37B (postponed entry) shall be amended as follows....
- 4 (1) Section 37C (provisions supplementary to sections 37A and 37B)...

## SCHEDULE 4 — Limit on Chargeable Mileage Profit

## SCHEDULE 5 — Building Societies and Deposit-Takers

*Introduction*

- 1 The Taxes Act 1988 shall be amended as mentioned in...

*Building societies*

- 2 (1) Section 476 (building societies: regulations for payment of tax)...
- 3 (1) Section 477 (investments becoming or ceasing to be relevant)...
- 4 (1) The following section shall be inserted immediately before section...

*Deposit-takers*

- 5 (1) Section 479 (interest paid on deposits with banks etc.)...
- 6 (1) Section 480 (deposits becoming or ceasing to be composite)...
- 7 (1) The following sections shall be inserted immediately before section...
- 8 (1) Section 481 (definitions of relevant deposit etc.) shall be...
- 9 (1) Section 482 (supplementary provisions) shall be amended as follows....

*General*

- 10 (1) Section 349 (annual interest etc.) shall be amended as...
- 11 (1) In section 352(1) (certificates of deduction of tax) for...

- 12 (1) In section 483 (determination of reduced rate for building...
- 13 (1) In section 686 (liability to additional rate tax of...
- 14 (1) In section 687 (payments under discretionary trusts) in subsection...

*Management*

- 15 In the Table in section 98 of the Taxes Management...

*Transitional provision*

- 16 (1) In its application to the year 1991-92, section 477A...

SCHEDULE 6 — Life Assurance: Apportionment of Income etc.

- 1 (1) Section 431 of the Taxes Act 1988 shall be...
- 2 After section 431 of the Taxes Act 1988 there shall...
- 3 In section 432(2) of the Taxes Act 1988—
- 4 After section 432 of that Act there shall be inserted—...
- 5 In section 436 of the Taxes Act 1988, in subsection...
- 6 In section 437 of that Act, in subsection (2) for...
- 7 In section 439 of that Act, for the words from...
- 8 For section 440 of that Act there shall be substituted—...
- 9 (1) In section 724 of the Taxes Act 1988, after...
- 10 In section 58(10) of the Finance (No.2) Act 1975, the...
- 11 (1) Paragraph 9 above shall be deemed to have come...
- 12 (1) Where at the end of 1989 the assets of...

SCHEDULE 7 — Overseas Life Assurance Business

- 1 In section 76(1)(d) of the Taxes Act 1988, for the...
- 2 In section 231(1) of that Act, for the words “and...
- 3 For section 441 of that Act there shall be substituted—...
- 4 In section 724 of that Act— (a) in subsection (3),...
- 5 After section 804 of that Act there shall be inserted—...
- 6 After Schedule 19 to the Taxes Act 1988 there shall...
- 7 In paragraph 3(4) of Schedule 28 to the Taxes Act...
- 8 In section 84(1) of the Finance Act 1989, for the...
- 9 In section 28 of the Capital Allowances Act 1990—
- 10 (1) This Schedule shall apply for accounting periods beginning on...

SCHEDULE 8 — Insurance Companies: Holdings of Unit Trusts etc.

*General*

- 1 In this Schedule— (a) “section 46 assets” means rights under...

*Exemption for certain linked assets*

- 2 (1) Where within two years after the end of an...

*Replacement of assets*

- 3 (1) Subject to sub-paragraph (2) below, paragraph 4 below applies...
- 4 Where this paragraph applies, the insurance company (but not any...
- 5 References in paragraphs 3 and 4 above to the exchange...

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*Supplementary*

6 (1) This paragraph applies where at any time after the...

SCHEDULE 9 — Insurance Companies: Transfers of Long Term Business

*Capital gains*

1 After section 267 of the Taxes Act 1970 there shall...

2 In section 127 of the Finance Act 1989, after subsection...

*Accounting periods*

3 In section 12 of the Taxes Act 1988, after subsection...

*Expenses of management and losses*

4 The following section shall be inserted after section 444 of...

*Capital allowances*

5 After section 152 of the Capital Allowances Act 1990 there...

*Transfer to friendly society*

6 In section 460 of the Taxes Act 1988, after subsection...

*Commencement*

7 This Schedule shall apply to transfers of business taking place...

SCHEDULE 10 — Convertible Securities

Part I — INTRODUCTION

*Qualifying provision for redemption*

1 For the purposes of this Schedule a qualifying provision for...

*Qualifying convertible securities*

2 (1) For the purposes of this Schedule a security is...

*Events after issue*

3 (1) A security which was a qualifying convertible security at...

*Securities becoming subject to later options*

4 (1) This paragraph applies where— (a) a security becomes at...

*Other later events in relation to securities*

5 (1) This paragraph applies where— (a) a prohibited event occurs...

*Deep gain*

6 (1) For the purposes of this Schedule the amount payable...



*Income period*

7 (1) This paragraph applies for the purposes of this Schedule....

*Redemption period*

8 (1) For the purposes of this Schedule each of the...

*Yield to redemption*

9 (1) For the purposes of this Schedule the yield to...

*Transfer etc.*

10 (1) This paragraph applies for the purposes of this Schedule....

*Miscellaneous*

11 (1) This paragraph applies for the purposes of this Schedule....  
Part II — CHARGE TO TAX

*The charge*

12 (1) For the purposes of this Part of this Schedule...

*Chargeable amount*

13 (1) For the purposes of paragraph 12 above the chargeable...

*Total income element*

14 (1) The total income element for the purposes of paragraph...

*Income elements*

15 (1) This paragraph has effect for the purposes of paragraph...

*Death*

16 (1) Where an individual who is entitled to a security...

*Market value*

17 (1) This paragraph applies where a security is transferred from...

*Underwriters*

18 (1) An underwriting member of Lloyd's shall be treated for...

*Trustees*

19 (1) Where on a transfer or redemption of a security...

*Receipts in United Kingdom*

20 (1) Sub-paragraph (2) below applies where— (a) by virtue of...

*Charities*

21 (1) In a case where— (a) paragraph 12 above would...

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*Retirement benefit schemes*

- 22 In a case where— (a) paragraph 12 above would apply...

*Stock lending*

- 23 In a case where— (a) a security is the subject...

*Identification of securities*

- 24 Section 88 of the Finance Act 1982 shall apply to...  
Part III — THE ISSUING COMPANY  
25 (1) In a case where— (a) a qualifying convertible security...  
Part IV — AMENDMENTS

**(1)**

DEEP DISCOUNT SECURITIES

- 26 (1) Schedule 4 to the Taxes Act 1988 (deep discount...

**(2)**

DEEP GAIN SECURITIES

- 27 (1) Schedule 11 to the Finance Act 1989 (deep gain...

**(3)**

CORPORATE BONDS

- 28 (1) Section 64 of the Finance Act 1984 (qualifying corporate...  
Part V — APPLICATION OF SCHEDULE  
29 (1) The amendment made by paragraph 27(2) above shall be...

SCHEDULE 11 — European Economic Interest Groupings

*Taxation*

- 1 After section 510 of the Taxes Act 1988 there shall...

*Management*

- 2 After section 12 of the Taxes Management Act 1970 there...  
3 (1) After section 98A of the Taxes Management Act 1970...  
4 (1) At the end of section 36 of the Taxes...

*Commencement*

- 5 This Schedule shall be deemed to have come into force...

SCHEDULE 12 — Broadcasting: Transfer of Undertakings of Independent  
Broadcasting Authority and Cable Authority

*Transfer of IBA's transmission activities to nominated company: corporation tax*

- 1 (1) Subject to sub-paragraph (2), the following provisions shall apply...

*Transfer of IBA's assets to Commission and Radio Authority: chargeable gains*

- 2 (1) For the purposes of the Capital Gains Tax Act...

*Disposal by IBA of DBS assets to DBS programme contractor: chargeable gains*

- 3 (1) For the purposes of the 1979 Act the disposal...

*Transfer of Cable Authority's assets to Commission: chargeable gains*

- 4 For the purposes of the 1979 Act the transfer by...

*Transfer of shares from Commission to Channel 4 company: chargeable gains*

- 5 (1) For the purposes of the 1979 Act the transfer...

*Apportionment of unallowed capital losses between relevant transferees*

- 6 (1) The unallowed capital losses of the IBA shall be...

*Roll-over relief in connection with nominated company*

- 7 Where the IBA have before the transfer date disposed of...

*Disputes as to apportionments etc.*

- 8 (1) This paragraph applies where any apportionment or other matter...

*Securities of nominated company*

- 9 (1) Any share issued by the nominated company to the...

*Interpretation*

- 10 (1) In this Schedule— “the 1979 Act” means the Capital...

SCHEDULE 13 — Capital Allowances: Miscellaneous Amendments

*Hotels in enterprise zones: initial allowances*

- 1 (1) In section 1(2) of the Capital Allowances Act 1990,...

*Scientific research allowance: writing off of expenditure*

- 2 (1) In section 8(5)(b) of that Act, for the words...

*Disposal value of machinery or plant after succession to trade*

- 3 (1) In section 78 of that Act, after subsection (2)...

*Non-resident companies: use of allowances*

- 4 (1) In section 149 of that Act, subsection (2) shall...

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*Contributions: machinery and plant*

5 (1) In section 154(2) of that Act, for the words...

*Sale of machinery or plant*

6 (1) In section 161(10) of that Act, the words “and...

*Assured tenancies allowance*

7 (1) In section 832(1) of the Taxes Act 1988, in...

SCHEDULE 14 — Amendments Correcting Errors in the Taxes Act 1988

Part I — AMENDMENTS OF THE TAXES ACT 1988

1 The Taxes Act 1988 shall have effect, and shall be...

2 In section 37(1)— (a) for the words “subsection (2) below”...

3 In section 213(6), for “(3)(1)(a)” there shall be substituted “(3)(a)”....

4 (1) In sections 322(1)(a) and (2) and 323(1), after the...

5 In section 326(2)(a), for the words from “12” to “1969”...

6 In section 377(1)(b), for “(5)” there shall be substituted “(8)”....

7 In section 393(2), for “492(2)” there shall be substituted “492(3)”....

8 In section 478(3), for the words “section (2)” there shall...

9 In section 751(1)(a), for the words “the persons” there shall...

10 In section 757(7), before the words “the earliest date” there...

11 In section 761(1), for the words “and Schedule” there shall...

12 In section 773(2), for the words “this section” there shall...

13 In paragraph 4(1) of Schedule 16, for “(4)” there shall...

Part II — AMENDMENTS OF OTHER ENACTMENTS

*The Taxes Management Act 1970 (c. 9)*

14 In section 31(3) of the Taxes Management Act 1970, for...

15 In section 98 of that Act, in the first column...

*The Oil Taxation Act 1975 (c. 22)*

16 In paragraph 5(2) of Schedule 3 to the Oil Taxation...

*The Capital Gains Tax Act 1979 (c. 14)*

17 In section 149C of the Capital Gains Tax Act 1979—...

*The Finance Act 1981 (c. 35)*

18 In section 83(3) of the Finance Act 1981, for the...

*Commencement*

19 (1) Subject to the following provisions of this paragraph, the...

SCHEDULE 15 — Claims for Group Relief

SCHEDULE 16 — Capital Allowances: Claims by Companies

SCHEDULE 17 — Capital Allowances: Assimilation of Claims by Companies to  
Claims by Individuals

*Introductory*

- 1 The Capital Allowances Act 1990 shall be amended as follows....

*Industrial buildings and structures*

- 2 In section 1 (initial allowances: enterprise zones) in subsection (5)...

*Machinery and plant: general*

- 3 (1) Section 22 (first-year allowances: transitional relief for regional projects)...
- 4 (1) Section 23 (information relating to first-year allowances) shall be...
- 5 (1) Section 24 (writing-down allowances and balancing adjustments) shall be...
- 6 (1) Section 25 (qualifying expenditure) shall be amended as follows....

*Machinery and plant: ships*

- 7 In section 30 (first-year allowances) in subsection (1)(a) the words...
- 8 In section 31 (writing-down allowances) the following subsection shall be...

*Machinery and plant: leased assets and inexpensive cars*

- 9 In section 41 (writing-down allowances) in subsection (3) the words...
- 10 In section 46 (recovery of excess relief: new expenditure) in...
- 11 In section 47 (recovery of excess relief: old expenditure) in...
- 12 In section 48 (information relating to allowances made in respect...
- 13 In section 49 (information relating to allowances made in respect...

*Machinery and plant: supplementary*

- 14 In section 79 (effect of use partly for trade etc....
- 15 In section 80 (effect of subsidies towards wear and tear)...

SCHEDULE 18 — Definition of “Local Authority”

- 1 In section 74(4) of the Finance Act 1952 for “519”...
- 2 Section 52 of the Finance Act 1974 shall cease to...
- 3 In section 149B of the Capital Gains Tax Act 1979...
- 4 In section 272 of the Inheritance Tax Act 1984, in...
- 5 (1) The Taxes Act 1988 shall be amended as follows....

SCHEDULE 19 — Repeals

- Part I — CUSTOMS AND EXCISE
- Part II — VEHICLES EXCISE DUTY
- Part III — VALUE ADDED TAX
- Part IV — INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX
- Part V — MANAGEMENT
- Part VI — STAMP DUTY
- Part VII — STAMP DUTY RESERVE TAX
- Part VIII — NATIONAL SAVINGS