



# Finance Act 1996

## CHAPTER 8

### FINANCE ACT 1996

#### PART I

##### EXCISE DUTIES

###### *Alcoholic liquor duties*

- 1 Spirits: rate of duty.
- 2 Wine and made-wine: rates.
- 3 Cider: rate of duty.

###### *Hydrocarbon oil duties*

- 4 Rates of duty and rebate.
- 5 Misuse of rebated kerosene.
- 6 Mixing of rebated oil.
- 7 Marked oil used as fuel for road vehicles.
- 8 Relief for marine voyages.

###### *Tobacco products duty*

- 9 Rates of duty.

###### *Betting duties: rates*

- 10 General betting duty.
- 11 Pool betting duty.

###### *Amusement machine licence duty*

- 12 Licences for machines as well as premises.

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*Air passenger duty*

- 13 Pleasure flights.

*Vehicle excise duty*

- 14 Increase in general rate.  
15 Electrically propelled vehicles.  
16 Steam powered vehicles etc.  
17 Vehicles capable of conveying loads.  
18 Old vehicles.  
19 Old vehicles: further provisions.  
20 Exemptions for vehicle testing: general.  
21 Exemptions for vehicle testing in Northern Ireland.  
22 Other provisions relating to Northern Ireland.  
23 Licensing and registration.

*Repeal of certain drawbacks and allowances*

- 24 Repeal of certain drawbacks and allowances.

**PART II**

VALUE ADDED TAX

*EC Second VAT Simplification Directive*

- 25 EC Second VAT Simplification Directive.  
26 Fiscal and other warehousing.  
27 Value of imported goods.  
28 Adaptation of aircraft and hovercraft.  
29 Work on materials.

*Other provisions relating to charges to VAT*

- 30 Refunds in connection with construction and conversion.  
31 Groups: anti-avoidance.  
32 Supplies of gold etc.  
33 Small gifts.

*Payment and enforcement*

- 34 Method of making payments on account.  
35 Default surcharges.  
36 Repeated misdeclaration penalty.  
37 Penalties for failure to notify.  
38 VAT invoices and accounting.

**PART III**

LANDFILL TAX

*The basic provisions*

- 39 Landfill tax.  
40 Charge to tax.  
41 Liability to pay tax.  
42 Amount of tax.

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### *Exemptions*

- 43 Material removed from water.
- 43A Contaminated land.
- 43B Contaminated land: certificates.
- 43C Site restoration.
- 44 Mining and quarrying.
- 44A Quarries.
- 45 Pet cemeteries.
- 46 Power to vary.

### *Administration*

- 47 Registration.
- 48 Information required to keep register up to date.
- 49 Accounting for tax and time for payment.
- 50 Power to assess.

### *Credit*

- 51 Credit: general.
- 52 Bad debts.
- 53 Bodies concerned with the environment.

### *Review and appeal*

- 54 Review of Commissioners' decisions.
- 55 Appeals: general.
- 56 Appeals: other provisions.
- 57 Review and appeal: commencement.

### *Miscellaneous*

- 58 Partnership, bankruptcy, transfer of business, etc.
- 59 Groups of companies.
- 60 Information, powers, penalties, secondary liability, etc.
- 61 Taxable disposals: special provisions.
- 62 Taxable disposals: regulations.
- 63 Qualifying material: special provisions.

### *Interpretation*

- 64 Disposal of material as waste.
- 65 Disposal by way of landfill.
- 66 Landfill sites.
- 67 Operators of landfill sites.
- 68 Weight of material disposed of.
- 69 Taxable activities.
- 70 Interpretation: other provisions.

### *Supplementary*

- 71 Orders and regulations.

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## PART IV

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

#### CHAPTER I

##### PRINCIPAL PROVISIONS

###### *Income tax charge, rates and reliefs*

- 72 Charge and rates of income tax for 1996-97.
- 73 Application of lower rate to income from savings.
- 74 Personal allowances for 1996-97.
- 75 Blind person's allowance.
- 76 Limit on relief for interest.

###### *Corporation tax charge and rate*

- 77 Charge and rate of corporation tax for 1996.
- 78 Small companies.

###### *Abolition of Schedule C charge etc.*

- 79 Abolition of Schedule C charge etc.

#### CHAPTER II

##### LOAN RELATIONSHIPS

###### *Introductory provisions*

- 80 Taxation of loan relationships.
- 81 Meaning of "loan relationship" etc.

###### *Taxation of profits and gains and relief for deficits*

- 82 Method of bringing amounts into account.
- 83 Non-trading deficit on loan relationships.

###### *Computational provisions etc.*

- 84 Debits and credits brought into account.
- 84A Exchange gains and losses from loan relationships
- 85A Computation in accordance with generally accepted accounting practice
- 85B Amounts recognised in determining company's profit or loss
- 85C Amounts not fully recognised for accounting purposes
  - 87 Accounting method where parties have a connection.
- 87A Meaning of "control" in section 87
  - 88 Exemption from section 87 in certain cases.
- 88A Accounting method where rate of interest is reset
  - 89 Inconsistent application of accounting methods.
  - 90 Changes of accounting method.
- 90A Change of accounting basis applicable to assets or liabilities
- 91 Payments subject to deduction of tax.

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### *Shares treated as loan relationships*

- 91A Shares subject to outstanding third party obligations
- 91B Non-qualifying shares
- 91C Condition 1 for section 91B(6)(b)
- 91D Condition 2 for section 91B(6)(b)
- 91E Condition 3 for section 91B(6)(b)
- 91F Power to add, vary or remove Conditions for section 91B(6)(b)
- 91G Shares beginning or ceasing to be subject to section 91A or 91B

### *Special cases*

- 92 Convertible securities etc: creditor relationships
- 92A Convertible securities etc: debtor relationships
- 93 Relationships linked to the value of chargeable assets.
- 93A Relationships linked to the value of chargeable assets: guaranteed returns
- 93B Loan relationships ceasing to be within section 93
- 93C Creditor relationships and benefit derived by connected persons
- 94 Indexed gilt-edged securities.
- 94A Loan relationships with embedded derivatives
- 95 Gilt strips.
- 96 Special rules for certain other gilts.
- 97 Manufactured interest.
- 98 Collective investment schemes.
- 99 Insurance companies.

### *Miscellaneous other provisions*

- 100 Money debts etc not arising from the lending of money
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- 102 Discounted securities: income tax provisions.

### *Supplemental*

- 103 Interpretation of Chapter.
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- 106 Living accommodation provided for employees.
- 107 Beneficial loans.
- 108 Incidental benefits for holders of certain offices etc.
- 109 Charitable donations: payroll deduction schemes.
- 110 PAYE settlement agreements.

## **CHAPTER IV**

### **SHARE OPTIONS, PROFIT SHARING AND EMPLOYEE SHARE OWNERSHIP**

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### *Share options*

- 111 Amount or value of consideration for option.
- 112 Release and replacement.

### *Savings-related share option schemes*

- 113 Exercise of rights by employees of non-participating companies.

### *Other share option schemes*

- 114 Requirements to be satisfied by approved schemes.
- 115 Transitional provisions.

### *Profit sharing schemes*

- 116 The release date.
- 117 The appropriate percentage.
- 118 The appropriate allowance.

### *Employee share ownership trusts*

- 119 Removal of requirement for at least one year's service.
- 120 Grant and exercise of share options.

## **CHAPTER V**

### SELF ASSESSMENT, GENERAL MANAGEMENT ETC.

#### *General*

- 121 Returns and self assessment.
- 122 Notional tax deductions and payments.
- 123 Liability of partners.
- 124 Retention of original records.
- 125 Determination of tax where no return delivered.
- 126 PAYE regulations.
- 127 Repayment postponed pending completion of enquiries.
- 128 Claims for reliefs involving two or more years.
- 129 Claims for medical insurance and vocational training relief.
- 130 Procedure for giving notices.
- 131 Interest on overdue tax.
- 132 Overdue tax and excessive payments by the Board.
- 133 Claims and enquiries.
- 134 Discretions exercisable by the Board etc.
- 135 Time limits for claims etc.
- 136 Appeals.

#### *Companies*

- 137 Schedules 13 and 16 to the Taxes Act 1988.
- 138 Accounting periods.
- 139 Surrenders of advance corporation tax.

#### *Chargeable gains*

- 140 Transfer of company's assets to investment trust.

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- 141 Roll-over relief.
- 142 Premiums for leases.

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#### *Reliefs*

- 143 Annual payments under certain insurance policies.
- 144 Vocational training.
- 145 Personal reliefs for non-resident EEA nationals.
- 146 Exemptions for charities.
- 147 Withdrawal of relief for Class 4 contributions.
- 148 Mis-sold personal pensions etc.
- 149 Annual payments in residuary cases.
- 150 Income tax exemption for periodical payments of damages and compensation for personal injury.

#### *Taxation of benefits*

- 151 Benefits under pilot schemes.
- 152 Jobfinder's grant.

#### *Investments*

- 153 Foreign income dividends.
- 154 FOTRA securities.
- 155 Directions for payment without deduction of tax.
- 156 Paying and collecting agents etc.
- 157 Stock lending fees.
- 158 Transfers on death under the accrued income scheme.
- 159 Manufactured payments, repos, etc.
- 160 Investments in housing.
- 161 Venture capital trusts: control of companies etc.

#### *Insurance policies*

- 162 Qualifying life insurance policies: certification.

#### *Insurance companies*

- 163 Life assurance business losses.
- 164 Limits on relief for expenses.
- 165 Annual payments under insurance policies: deductions.
- 166 Equalisation reserves.
- 167 Industrial assurance business.
- 168 Capital redemption business.
- 169 Provisional repayments in connection with pension business.
- 170 Time for amending and enquiring into returns.

#### *Friendly societies*

- 171 Life or endowment business.

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*Personal pension schemes*

- 172 Return of contributions on or after death of member.

*Participators in close companies*

- 173 Loans to participators etc.  
174 Attribution of gains to participators in non-resident companies.

*Cancellation of tax advantages*

- 175 Transactions in certain securities.

*Chargeable gains: reliefs*

- 176 Retirement relief: age limits.  
177 Reinvestment relief on disposal of qualifying corporate bond.

*Special cases*

- 178 Sub-contractors in the construction industry.  
179 Roll-over relief in respect of ships.  
180 Scientific research expenditure: oil licences.  
181 Overseas petroleum.  
182 Controlled foreign companies.

**PART V**

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- 183 Rate bands.  
184 Business property relief.  
185 Agricultural property relief.

**PART VI**

STAMP DUTY AND STAMP DUTY RESERVE TAX

*Stamp duty*

- 186 Transfers of securities to members of electronic transfer systems etc.

*Stamp duty reserve tax*

- 187 Territorial scope of the tax.  
188 Removal of the two month period.  
189 Transfers to members of electronic transfer systems etc.  
190 Transfers between associated bodies.  
191 Stock lending and collateral security arrangements.  
192 Repayment or cancellation of tax.  
193 Depositary receipts.  
194 Rates of charge expressed as percentages.  
195 Regulations concerning administration: sub-delegation to the Board.

*Clearance services*

- 196 Election by operator for alternative system of charge.



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## PART VII

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#### *Miscellaneous: indirect taxation*

197 Setting of rates of interest.

#### *Miscellaneous: direct taxation*

198 Banks.  
199 Quotation or listing of securities.  
200 Domicile for tax purposes of overseas electors.  
201 Enactment of Inland Revenue concessions.

#### *Miscellaneous: other matters*

202 Gilt stripping.  
203 Modification of the Agriculture Act 1993.

#### *Supplemental*

204 Interpretation.  
205 Repeals.  
206 Short title.

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## SCHEDULES

SCHEDULE 1 — Mixing of rebated oil

SCHEDULE 2 — Vehicle licensing and registration

1 In this Schedule “the 1994 Act” means the Vehicle Excise...

#### *Vehicle licences*

2 (1) Section 7 of the 1994 Act (issue of vehicle...

#### *Trade licences*

3 In section 11 of the 1994 Act (trade licences), after...

#### *Registration regulations*

4 (1) Subsection (1) of section 22 of the 1994 Act...  
5 In subsection (1B)(a) of section 22 of the 1994 Act,...  
6 After subsection (1B) of section 22 of the 1994 Act...  
7 After subsection (1C) of section 22 of the 1994 Act...

#### *Surrender of licences: repayments*

8 .....

#### *Offences*

9 (1) In section 29 of the 1994 Act (penalty for...  
10 In section 33 of the 1994 Act (not exhibiting licence),...  
11 (1) Section 45 of the 1994 Act (false or misleading...

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*Offences: information and admissions*

- 12 After section 46 of the 1994 Act there shall be...  
13 After section 51 of the 1994 Act there shall be...

*Proceedings in respect of offences*

- 14 (1) In— (a) section 47(1) and (2) of the 1994...

*Compounding of offences*

- 15 In section 59 of the 1994 Act (regulations: offences), after...

*Regulations*

- 16 In section 57(1) of the 1994 Act (regulations generally), the...

SCHEDULE 3 — Value added tax: Fiscal and other warehousing

- 1 In subsection (1) of section 6 of the Value Added...  
2 In subsection (1) of section 7 of the Value Added...  
3 In subsection (1) of section 12 of the Value Added...  
4 In subsection (1) of section 13 of the Value Added...  
5 The following sections shall be inserted in the Value Added...  
6 In subsection (1) of section 20 of the Value Added...  
7 In section 30 of the Value Added Tax Act 1994...  
8 (1) Section 62 of the Value Added Tax Act 1994...  
9 In subsection (1) of section 69 of the Value Added...  
10 In section 73 of the Value Added Tax Act 1994...  
11 In sections 73(9) and 76(5) of the Value Added Tax...  
12 In section 83 of the Value Added Tax Act 1994...  
13 In paragraph 1 of Schedule 1 to the Value Added...  
14 In paragraph 1 of Schedule 2 to the Value Added...  
15 In paragraph 1 of Schedule 3 to the Value Added...  
16 In paragraph 8(1) of Schedule 11 to the Value Added...  
17 In paragraph 10(2) of Schedule 11 to the Value Added...  
18 The following Schedule shall be added to the Value Added...

SCHEDULE 4 — Value added tax: anti-avoidance provisions

SCHEDULE 5 — Landfill Tax

Part I — INFORMATION

*General*

- 1 (1) Every person who is concerned (in whatever capacity) with...

*Records*

- 2 (1) Regulations may require registrable persons to make records.

*Documents*

- 3 (1) Every person who is concerned (in whatever capacity) with...

Part II — POWERS

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*Entry and inspection*

4 For the purpose of exercising any powers under this Part...

*Entry and search*

5 (1) Where— (a) a justice of the peace is satisfied...

*Arrest*

6 (1) Where an authorised person has reasonable grounds for suspecting...

*Order for access to recorded information etc.*

7 (1) Where, on an application by an authorised person, a...

*Removal of documents etc.*

8 (1) An authorised person who removes anything in the exercise...

9 (1) Where, on an application made as mentioned in sub-paragraph...

*Power to take samples*

10 (1) An authorised person, if it appears to him necessary...

Part III — RECOVERY

*General*

11 Tax due from any person shall be recoverable as a...

*Preferential and preferred debts*

12 (1) . . . . .

*Distress and diligence*

13 . . . . .

*Recovery of overpaid tax*

14 (1) Where a person has paid an amount to the...

Part IV — CRIMINAL PENALTIES

*Criminal offences*

15 (1) A person is guilty of an offence if—

*Criminal penalties*

16 (1) A person guilty of an offence under paragraph 15(1)...

*Criminal proceedings etc.*

17 Sections 145 to 155 of the Customs and Excise Management...

Part V — CIVIL PENALTIES

*Evasion*

18 (1) Where— (a) for the purpose of evading tax, a...

19 (1) Where it appears to the Commissioners—

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*Misdeclaration or neglect*

- 20 (1) Where, for an accounting period— (a) a return is...

*Registration*

- 21 (1) A person who fails to comply with section 47(3)...

*Information*

- 22 (1) If a person— (a) fails to comply with any...

*Breach of regulations*

- 23 (1) Where regulations made under this Part of this Act...

*Walking possession agreements*

- 24 (1) This paragraph applies where— (a) in accordance with regulations...

*Mitigation of penalties*

- 25 (1) Where a person is liable to a penalty under...  
Part VI — INTEREST

*Interest on under-declared tax*

- 26 (1) Sub-paragraph (2) below applies where— (a) under section 50(1)...

*Interest on unpaid tax etc.*

- 27 (1) Sub-paragraph (2) below applies where— (a) a registrable person...  
28 (1) Where a person is liable to pay interest under...

*Interest payable by Commissioners*

- 29 (1) Where, due to an error on the part of...  
30 (1) Where— (a) any interest is payable by the Commissioners...  
Part VII — MISCELLANEOUS

*Security for tax*

- 31 Where it appears to the Commissioners requisite to do so...

*Assessments to penalties etc.*

- 32 (1) Where a person is liable— (a) to a penalty...

*Assessments: time limits*

- 33 (1) Subject to the following provisions of this paragraph, an...

*Supplementary assessments*

- 34 If, otherwise than in circumstances falling within subsection (5)(b) of...

*Disclosure of information*

- 35 (1) Notwithstanding any obligation not to disclose information that would...

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*The register: publication*

- 36 (1) The Commissioners may publish, by such means as they...

*Evidence by certificate etc.*

- 37 (1) A certificate of the Commissioners— (a) that a person...

*Service of notices etc.*

- 38 Any notice, notification or requirement to be served on, given...  
39 (1) This paragraph applies to directions, specifications and conditions which...

*No deduction of penalties or interest*

- 40 In section 827 of the Taxes Act 1988 (no deduction...

*Destination of receipts*

- 41 All money and securities for money collected or received for...

*Set-off of amounts*

- 42 (1) Regulations may make provision in relation to any case...  
43 (1) Regulations may make provision in relation to any case...

*Amounts shown as tax on invoices*

- 44 (1) Where— (a) a registrable person issues an invoice showing...

*Adjustment of contracts*

- 45 (1) This paragraph applies where— (a) material undergoes a landfill...  
46 (1) This paragraph applies where— (a) work is carried out...

*Adjustment of rent etc.*

- 47 (1) This paragraph applies where— (a) an agreement with regard...  
Part VIII — SECONDARY LIABILITY: CONTROLLERS OF LANDFILL SITES

*Meaning of controller*

- 48 (1) For the purposes of this Part of this Schedule...

*Secondary liability*

- 49 (1) Where— (a) a taxable disposal is made at a...

*Operator entitled to credit*

- 50 (1) This paragraph applies where— (a) the operator of a...

*Payment of secondary liability*

- 51 (1) This paragraph applies where a controller is liable under...

*Assessments*

- 52 (1) Where an amount of landfill tax is—

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*Assessment withdrawn or reduced*

53 (1) Where— (a) a controller is liable to pay an...

*Adjustments*

54 (1) This paragraph applies in any case where the liability...

*Amounts payable to be treated as tax*

55 An amount which a controller is required to pay under...

*Controller not carrying out taxable activity*

56 A controller is not to be treated for the purposes...

*Joint and several liability*

57 (1) In any case where the condition in sub-paragraph (4),...

*Interest payable by a controller*

58 (1) This paragraph applies where— (a) the operator of a...

*Reviews*

59 Section 54 of this Act shall apply to a decision...

*Notice that person is, or is no longer, a controller*

60 (1) This paragraph applies where— (a) on the date when...

*Extension of time limits where notice not served*

61 (1) This paragraph applies where— (a) a person is liable...

SCHEDULE 6 — Taxation of savings at the lower rate

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

1 In section 86 of the Taxes Management Act 1970 (interest...

*The Taxes Act 1988*

2 In section 4(2) of the Taxes Act 1988 (meaning of...

3 In section 5(4) of that Act (time when tax in...

4 (1) Subject to sub-paragraph (2) below, in subsection (1)(b) of...

5 In paragraph (c) of section 246D(2) of that Act (application...

6 In section 249(4)(c) of that Act (application of section 207A),...

7 (1) In subsection (2)(b)(ii) of section 326B of that Act...

8 In section 350 of that Act (charge to tax where...

9 In section 421(1)(c) of that Act (application of section 207A),...

10 (1) In section 468 of that Act (authorised unit trusts...

11 (1) In section 468L of that Act (interest distributions), after...

12 In section 469(2) of that Act (taxation of income of...

13 In sections 549(2), 686(1), 699(2) and 819(2) of that Act...

14 (1) In paragraph (a)(i) of subsection (2) of section 582...

15 In section 686 of that Act (liability to additional rate...

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- 16 In Part XV of that Act (settlements), at the end...
- 17 In section 698A of that Act (taxation at the lower...
- 18 (1) In subsection (1) of section 737 of that Act...
- 19 In section 737C(6) of that Act (computation of amount of...
- 20 In section 743(1) of that Act (supplemental provisions relating to...
- 21 In section 789(2) of that Act (old double taxation relief...
- 22 In paragraph (a) of section 821(1) of that Act (under-deductions...
- 23 In section 822(1) of that Act (over-deductions from interest on...
- 24 . . . . .
- 25 (1) In Schedule 3 to that Act (public revenue dividends...

*The Finance Act 1989 (c. 26)*

- 26 (1) In section 88(1) of the Finance Act 1989 (rate...

*The Taxation of Chargeable Gains Act 1992 (c. 12)*

- 27 In section 4(3A) of the Taxation of Chargeable Gains Act...

*Commencement of Schedule*

- 28 Subject to any express provisions as to commencement that are...

SCHEDULE 7 — Transfer of charge under Schedule C to Schedule D

*Amendments of the Taxes Act 1988*

- 1 The Taxes Act 1988 shall be amended in accordance with...
- 2 In section 1(1) (the charge to income tax), for “Schedules...
- 3 Section 17 (Schedule C) shall be omitted.
- 4 (1) In section 18 (Schedule D), in subsection (1), in...
- 5 In section 19(1), in paragraph 2 of Schedule E, for...
- 6 For the heading to Part III there shall be substituted...
- 7 Section 44 (mode of charge of tax under Schedule C)...
- 8 Section 45 (interpretation of Part III) shall be omitted.
- 9 Section 48 (securities of foreign states) shall be omitted.
- 10 In section 49 (stock and dividends in name of Treasury...
- 11 In sections 50(1) and 51A(1) (which provide for interest on...
- 12 Section 52 (taxation of interest on converted securities and interest...
- 13 Section 123 (foreign dividends) shall be omitted.
- 14 In section 124— (a) in subsection (6) (definitions in connection...
- 15 In section 322(1) (consular officers and employees), the words “and...
- 16 In section 398 (transactions in deposits with and without certificates...
- 17 In section 468M(4) (meaning of “eligible income” in connection with...
- 18 In section 474 (treatment of tax-free income), subsections (1) and...
- 19 (1) In section 505 (exemptions for charities), in subsection (1),...
- 20 (1) In section 512 (exemption from income tax for Atomic...
- 21 (1) In section 516 (government securities held by non-resident central...
- 22 In section 582A (designated international organisations), subsection (3) shall be...
- 23 In section 730 (transfers of income arising from securities)—
- 24 In section 828(2) (orders and regulations not required to be...
- 25 In section 832(1) (interpretation of the Tax Acts), the definition...
- 26 After section 841 there shall be inserted the following section—
- 27 Schedule 3 (machinery for payment of income tax under Schedule...

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28 .....

*Other amendments*

- 29 In the Table in section 98 of the Taxes Management...  
30 In section 178(2)(m) of the Finance Act 1989 (provisions to...  
31 In section 128 of the Finance Act 1995 (limit on...

*Commencement, etc.*

- 32 Subject to paragraphs 33 and 34 below, this Schedule has...

*Position of paying and collecting agents*

- 33 (1) Subject to the following provisions of this paragraph and...

*Position of taxpayers*

- 34 (1) Transitional payments of tax made on a person's behalf...

*Times to which paragraphs 33 and 34 apply*

- 35 Paragraphs 33 and 34 above apply in relation to times...

SCHEDULE 8 — Loan relationships: claims etc relating to deficits

*Claim to set off deficit against other profits for the deficit period*

- 1 (1) This paragraph applies where a claim is made under...

*Claim to treat deficit as eligible for group relief*

- 2 (1) This paragraph applies where the company makes a claim...

*Claim to carry back deficit to previous accounting periods*

- 3 (1) This paragraph applies where a claim is made under...

*Carry forward of deficit to succeeding accounting periods*

- 4 (1) This paragraph applies where, pursuant to section 83(3A) of...

*Construction of Schedule*

- 5 In this Schedule "the deficit" and "the deficit period" shall...

SCHEDULE 9 — Loan relationships: special computational provisions

*Distributions*

- 1 (1) The credits and debits to be brought into account...

*Insurance company liabilities*

- 1A (1) The credits and debits to be brought into account...

*Late interest*

- 2 (1) This paragraph applies for the purpose of bringing debits...



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*Options etc.*

3 (1) This paragraph applies for determining the credits and debits...

*Foreign exchange gains and losses*

4 .....

*Deemed release of liability on impaired debt becoming held by connected company*

4A (1) This paragraph applies— (a) in the case specified in...

*Release of liability under debtor relationship : cases  
in which credit need not be brought into account*

5 (1) .....

*Release of liability under creditor relationship:  
application of provisions relating to impairment losses*

5ZA The provisions of— (a) paragraph 5A (impairment losses and consortium...

*Impairment losses and consortium relief*

5A (1) This paragraph applies where the conditions in sub-paragraphs (2)...

*Impairment losses where parties have a connection*

6 (1) This paragraph applies where for any accounting period section...

*Impairment losses : parties having connection and creditor in insolvent liquidation etc*

6A (1) This paragraph applies in any case falling within paragraph...

*Impairment losses: companies becoming connected*

6B .....

*Impairment losses: cessation of connection*

6C (1) Where, in the case of a creditor relationship of...

*Restriction on bringing into account debits resulting from revaluation*

6D (1) No debit shall be brought into account for the...

*Writing-off of government investments*

7 (1) Where any government investment in a company is written...

*Restriction on writing off overseas sovereign debt etc.*

8 .....

*Further restriction on bringing into account losses on overseas sovereign debt etc.*

9 .....

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*Imported losses etc.*

- 10 (1) This paragraph applies in the case of a company...

*Deemed assignment of assets and liabilities on company ceasing to be resident in UK etc*

- 10A (1) This paragraph applies if at any time (“ the...

*Transactions not at arm’s length*

- 11 (1) Where— (a) debits or credits in respect of a...

*Exchange gains and losses where loan not on arm’s length terms*

- 11A (1) Where a company has a debtor relationship in an...

*Continuity of treatment: groups etc.*

- 12 (1) Subject to paragraph 15 below, this paragraph applies where,...

*Transferee leaving group after replacing transferor as party to loan relationship*

- 12A (1) This paragraph applies in any case where—

*European cross-border merger*

- 12B (1) This paragraph applies on a merger which satisfies the...

- 12C (1) This paragraph applies on a merger which satisfies the...

*Cross-border transfer of business within European Community*

- 12D (1) This paragraph applies where— (a) a company resident in...

- 12E (1) This paragraph applies to a transaction if—

- 12F (1) Paragraph 12D or 12E shall apply in relation to...

*Exchanges, &c.: treatment of loan relationships*

- 12G (1) This paragraph applies if sections 127 to 130 of...

*Transparent entities*

- 12H (1) This paragraph applies in relation to a transfer of...

- 12I (1) This paragraph applies in relation to a merger if—...

- 12J (1) In paragraphs 12B to 12I, unless the contrary intention...

*Loan relationships for unallowable purposes*

- 13 (1) Where in any accounting period a loan relationship of...

*Debits and credits treated as relating to capital expenditure*

- 14 (1) This paragraph applies where any debit or credit .....

*Debits and credits recognised in equity or shareholders' funds*

- 14A Where in accordance with generally accepted accounting practice a debit...

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*Repo and stock-lending transactions and other transactions  
where a company ceases to be party to a loan relationship*

15 (1) This paragraph applies if— (a) a company ceases to...

*Amounts imputed under Schedule 28AA to the Taxes Act 1988*

16 (1) This paragraph applies where, in pursuance of Schedule 28AA...

*Deeply discounted securities where companies have a connection*

17 (1) This paragraph applies as respects any accounting period (“the...

*Deeply discounted securities of close companies*

18 (1) This paragraph applies for any accounting period (“the relevant...

*Partnerships involving companies*

19 (1) This paragraph applies where— (a) a trade, profession or...

*Adjustment on change of accounting policy*

19A (1) This paragraph applies where— (a) there is a change...

*Power to make further provision by regulations*

19B (1) The Treasury may by regulations make provision for cases...

*Interpretation of references to major interests*

20 (1) For the purposes of any provision which applies this...

SCHEDULE 10 — Loan relationships: collective investment schemes

*Investment trusts: capital profits, gains or losses*

1  
1A (1) Capital profits, gains or losses arising to an investment...

*Venture capital trusts: capital profits, gains or losses*

1B (1) Capital profits, gains or losses arising to a venture...

*Authorised unit trusts : capital profits, gains or losses*

2  
2A (1) Where any profits, gains or losses arising to an...

*Open-ended investment companies : capital profits, gains or losses*

2B (1) Where any profits, gains or losses arising to an...

*Distributing offshore funds*

3 .....

*Company holdings in unit trusts and offshore funds*

4 (1) This paragraph applies for the purposes of corporation tax...

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*Holding becoming or ceasing to be paragraph 4 holding*

5 (1) Section 116 of the 1992 Act (reorganisations etc. involving...

*Opening valuation of paragraph 4 holding*

6 Where— (a) paragraph 5(2) above applies in the case of...

*Meaning of offshore funds*

7 (1) For the purposes of paragraph 4 above an interest...

*Non-qualifying investments test*

8 (1) For the purposes of paragraph 4 above a unit...

*Powers to make orders*

9 (1) An order made by the Treasury under any provision...

SCHEDULE 11 — Loan relationships: special provisions for insurers  
 Part I — INSURANCE COMPANIES

*I minus E basis*

1 (1) . . . . .

*Rules for different categories of business*

2 (1) Where an insurance company carries on basic life assurance...

*Apportionments*

3 Where— (a) any creditor relationship of an insurance company is...  
 3A (1) This paragraph applies where— (a) any loan relationship of...

*Treatment of deficit*

4 (1) Where, in the case of any insurance company, a...

*Election for accruals basis for long term business assets*

5 . . . . .

*Interpretation of Part I*

6 In this Part of this Schedule— “ basic life assurance...  
 Part II — CORPORATE MEMBERS OF LLOYD’S  
 7 (1) This Chapter does not apply as respects any loan...

SCHEDULE 12 —

SCHEDULE 13 — Discounted securities: income tax provisions

*Charge to tax on realised profit comprised in discount*

1 . . . . .

*Status: Point in time view as at 19/03/2008.*

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	<i>Realised losses on discounted securities</i>
2	.....
	<i>Meaning of “relevant discounted security”</i>
3	.....
	<i>Issue price etc of securities issued in accordance with qualifying earn-out right</i>
3A	.....
	<i>Meaning of “transfer”</i>
4	.....
	<i>Redemption to include conversion</i>
5	.....
	<i>Trustees and personal representatives</i>
6	.....
	<i>Treatment of losses where income exempt</i>
7	.....
	<i>Transfers between connected persons</i>
8	.....
	<i>Other transactions deemed to be at market value</i>
9	.....
	<i>Securities issued to connected person etc at price in excess of market value: transfer to connected person</i>
9A	.....
	<i>Issue of securities in separate tranches</i>
10	.....
	<i>Accrued income scheme</i>
11	.....
	<i>Assets transferred abroad</i>
12	.....
	<i>Excluded indexed securities</i>
13	.....
	<i>Meaning of corporate strip and conversion into corporate strips</i>
13A	.....

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*Corporate strips deemed to be relevant discounted securities*

13B .....

*Corporate strips: manipulation of acquisition, sale or redemption price*

13C .....

*Corporate strips: manipulation of price: associated payment giving rise to CGT loss*

13D .....

*Strips of government securities*

14 .....

*Strips of government securities: losses*

14A .....

*Strips of government securities: manipulation of acquisition, sale or redemption price*

14B .....

*Strips: manipulation of price: associated payment giving rise to capital gains tax loss*

14C .....

*Restriction of profits and losses on strips by reference to original acquisition cost*

14D .....

*Market value of strips etc for the purposes of paragraphs 8, 9, 14 and 14B*

14E .....

*General interpretation*

15 .....

*Application of Schedule for income tax purposes only*

16 .....

SCHEDULE 14 — Loan relationships: minor and consequential amendments

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

1 (1) In subsection (4A) of section 87A of the Taxes...

*The Inheritance Tax Act 1984 (c. 51)*

2 (1) In section 174(1)(b) of the Inheritance Tax Act 1984...

*The Airports Act 1986 (c. 31)*

3 In section 77 of the Airports Act 1986 (taxation provisions),...

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*The Gas Act 1986 (c. 44)*

4 In section 60 of the Gas Act 1986 (taxation provisions),...

*The Taxes Act 1988*

- 5 In section 18 of the Taxes Act 1988 (Schedule D),...
- 6 In section 56 of that Act (transactions in deposits with...
- 7 In section 70(3) of that Act (extension of Cases IV...
- 8 In section 75 of that Act (expenses of management), after...
- 9 In section 77 of that Act (incidental costs of obtaining...
- 10 (1) Section 78 of that Act (discounted bills of exchange)...
- 11 (1) In section 209 of that Act (meaning of “distribution”),...
- 12 (1) In subsection (2) of section 242 of that Act...
- 13 .....
- 14 (1) In subsection (2)(b) of section 337 of that Act...
- 15 After section 337 of that Act there shall be inserted...
- 16 (1) Section 338 of that Act (charges on income) shall...
- 17 Sections 338A, 340 and 341 of that Act (charges on...
- 18 In section 349(2) of that Act (deductions from interest payments),...
- 19 In section 400 of that Act (writing-off of government investment),...
- 20 (1) In section 401 of that Act (relief for pre-trading...
- 21 (1) In subsection (6) of section 404 of that Act...
- 22 (1) In subsection (1)(b) of section 407 of that Act...
- 23 (1) Where this Chapter has effect in relation to any...
- 24 Where this Chapter has effect in relation to any accounting...
- 25 .....
- 26 In section 468L(5) of that Act (interest distributions), for the...
- 27 (1) In subsection (2) of section 475 of that Act...
- 28 (1) In subsection (3) of section 477A of that Act...
- 29 Sections 484 and 485 of that Act (savings banks: exemption...
- 30 In section 486 of that Act (industrial and provident societies)—...
- 31 (1) In subsection (1) of section 487 of that Act...
- 32 (1) In subsection (1) of section 494 of that Act...
- 33 In section 587A of that Act (extra return on new...
- 34 In section 614 of that Act (exemptions and reliefs in...
- 35 In section 687(3) of that Act (payments under discretionary trusts),...
- 36 In section 710 of that Act (interpretation of sections 711...
- 37 .....
- 38 In section 737(5A) of that Act (relief in respect of...
- 39 (1) For subsections (10) and (11) of section 768B of...
- 40 For subsections (9) and (10) of section 768C of that...
- 41 In section 795 of that Act (computation of income subject...
- 42 (1) In section 797 of that Act (limits on credit...
- 43 After section 797 of that Act there shall be inserted...
- 44 (1) In section 798 of that Act (interest on certain...
- 45 In section 807 of that Act (sale of securities with...
- 46 After section 807 of that Act there shall be inserted...
- 47 In section 811 of that Act (deduction of foreign tax...
- 48 (1) In subsection (7C) of section 826 of that Act...
- 49 In subsection (1) of section 834 of that Act (definitions...
- 50 Schedule 4 to that Act (deep discount securities) shall cease...
- 51 In paragraph 5B(2) of Schedule 19AC to that Act (overseas...
- 52 (1) Schedule 23A to that Act (manufactured payments) shall be...

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- 53 In Schedule 26 to that Act (controlled foreign companies), in...  
54 (1) In paragraph 6 of Schedule 28A to that Act...

*The British Steel Act 1988 (c. 35)*

- 55 In section 11 of the British Steel Act 1988 (taxation...)

*The Finance Act 1989 (c. 26)*

- 56 In section 88(3) of the Finance Act 1989 (relevant profits...  
57 Schedule 11 to that Act (deep gain securities) shall cease...

*The Finance Act 1990 (c. 29)*

- 58 Schedule 10 to the Finance Act 1990 (convertible securities) shall...

*The Taxation of Chargeable Gains Act 1992 (c. 12)*

- 59 In section 108(1) of the Taxation of Chargeable Gains Act...  
60 (1) Section 116 of that Act (reorganisations, conversions and  
reconstructions)...  
61 (1) In section 117 of that Act (meaning of “qualifying...  
62 After section 117 of that Act there shall be inserted...  
63 . . . . .  
64 In section 251 of that Act (exclusion for debts that...  
65 In section 253(3) of that Act (relief for loans to...  
66 (1) In section 254 of that Act (relief for debts...

*The Finance Act 1993 (c. 34)*

- 67 In section 127 of the Finance Act 1993 (accrual of...  
68 (1) In subsection (2) of section 129 of that Act...  
69 For sections 130 to 133 of that Act (charge to...  
70 (1) For subsection (4) of section 153 of that Act...  
71 In section 154 of that Act (definitions connected with assets),...  
72 In section 155 of that Act (definitions connected with liabilities),...  
73 (1) For subsections (5) to (9) of section 159 of...  
74 In section 167 of that Act (orders and regulations relating...

*The Finance Act 1994 (c. 9)*

- 75 In section 160 of the Finance Act 1994 (treatment of...  
76 (1) In subsection (9) of section 167 of that Act...  
77 In section 173(5)(a) of that Act (references to the purposes...  
78 (1) In subsection (1) of section 177 of that Act...  
79 For paragraphs 1 and 2 of Schedule 18 to that...

SCHEDULE 15 — Loan relationships: savings and transitional provisions  
Part I — CORPORATION TAX

*Application and interpretation of Part I*

- 1 (1) This Part of this Schedule has effect for the...

*Loan relationships terminated before 1st April 1996*

- 2 Subject to paragraph 13(6) below, the amounts which are to...



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*Basic rules for transitional accounting periods*

3 (1) This paragraph applies as respects any continuing loan relationship...

*Adjustment of opening value where new accounting basis adopted as from an accounting period beginning on 1st April 1996*

3A (1) This paragraph applies in the case of a continuing...

*Application of accruals basis to pre-commencement relationships*

4 Subject to the following provisions of this Schedule, any question...

*Adjustments in respect of pre-commencement trading relationships*

5 (1) This paragraph applies in the case of any continuing...

*Method of giving effect to paragraph 5 adjustments*

6 (1) Subject to sub-paragraph (4) below, the difference mentioned in...

*General savings for the taxation of chargeable gains*

7 The amendments of the 1992 Act contained in Schedule 14...

*Transitional provision for chargeable assets held after commencement*

8 (1) This paragraph applies where— (a) on 31st March 1996...

*Election for alternative treatment of amounts specified in paragraph 8*

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

*Adjustments of opening value for mark to market accounting in the case of chargeable assets*

10 (1) Where— (a) a mark to market basis of accounting...

*Other adjustments in the case of chargeable assets etc.*

11 (1) Where— (a) an authorised accruals basis of accounting is...

*Reduction of paragraph 11 credit where s.251(4) of 1992 Act prevents paragraph 8 loss*

11A (1) This paragraph applies where, in the case of any...

*Notional closing values of relevant assets*

12 (1) Subject to sub-paragraph (2) below, the notional closing value...

*Further transitional rules for interest under loan relationships*

13 (1) Where— (a) an amount of interest under a loan...

*Transitional in respect of incidental expenses already allowed*

14 To the extent that any deduction in respect of any...

*Holdings of unit trusts etc.*

15 (1) This paragraph applies to any asset which—

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*Bad debt relieved before commencement*

- 16 (1) This paragraph applies where— (a) an amount becomes, or...

*Transitional for overseas sovereign debt etc.*

- 17 (1) Subject to any regulations under sub-paragraph (4) below and...

*Transitional for accrued income scheme*

- 18 (1) Subject to sub-paragraph (2) below, where, apart from this...

*Deep discount securities*

- 19 (1) This Chapter shall not affect— (a) the application of...

*Deep gain securities*

- 20 (1) This Chapter shall not affect the application of paragraph...

*Convertible securities*

- 21 (1) This Chapter shall not affect— (a) the application of...

*Transitional and savings for Chapter II of Part II of the Finance Act 1993*

- 22 (1) Chapter II of Part II of the Finance Act...

*Carrying back non-trading losses against exchange profits etc.*

- 23 (1) Subject to sub-paragraph (2) below, for the purpose of...

*Exchange losses etc. carried forward from before 1st April 1996*

- 24 Where there is any amount which apart from this Chapter...

*Transitional for debt contracts and options to which Chapter II of Part IV of the Finance Act 1994 is applied*

- 25 (1) This paragraph applies in the case of any debt...  
Part II — INCOME TAX AND CAPITAL GAINS TAX

*Application and interpretation of Part II*

- 26 (1) This Part of this Schedule (except paragraph 29) has...

*Qualifying indexed securities*

- 27 (1) This paragraph applies where— (a) on 5th April 1996...  
28 For the purposes of Chapter 8 of Part 4 of...  
29 For the purposes of paragraph 2 of Schedule 10 to...

*Transitional in relation to qualifying corporate bonds*

- 30 (1) This paragraph applies where— (a) any person holds any...

SCHEDULE 16 — Share option schemes approved before passing of this Act

*Status: Point in time view as at 19/03/2008.*

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*Preliminary*

- 1 Share option schemes approved before passing of this Act

*Limit on aggregate value of options*

- 2 Share option schemes approved before passing of this Act

*Price at which scheme shares may be obtained*

- 3 Share option schemes approved before passing of this Act

*Approval of the Board to alterations*

- 4 Share option schemes approved before passing of this Act

*Interpretation*

- 5 Share option schemes approved before passing of this Act

SCHEDULE 17 — Claims for relief involving two or more years

*Preliminary*

- 1 (1) In this Schedule— (a) any reference to a claim...

*Loss relief*

- 2 (1) This paragraph applies where a person makes a claim...

*Relief for fluctuating profits of farming etc.*

- 3 (1) This paragraph applies where a person who is or...

*Relief claimed by virtue of section 96(9)*

- 4 (1) This paragraph applies where— (a) a person who claims...

*Carry-back of post-cessation etc. receipts*

- 5 (1) This paragraph applies where a person who has received...

*Backward spreading of certain payments*

- 6 (1) This paragraph applies where a person who has received...

SCHEDULE 18 — Overdue tax and excessive payments by the Board

*The Taxes Management Act 1970*

- 1 In section 55 of the Taxes Management Act 1970 (recovery...
- 2 (1) Section 59A of the Taxes Management Act 1970 (payments...
- 3 (1) Section 86 of the Taxes Management Act 1970 (interest...
- 4 (1) Section 88 of the Taxes Management Act 1970 (which...

*The Taxes Act 1988*

- 5 In section 307 of the Taxes Act 1988 (enterprise investment...
- 6 (1) Section 369 of the Taxes Act 1988 (MIRAS) shall...

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- 7 In section 374A of the Taxes Act 1988 (interest which...
- 8 In section 375 of the Taxes Act 1988 (interest ceasing...
- 9 In section 412(4) of the Taxes Act 1988 (group relief:...
- 10 In section 588 of the Taxes Act 1988 (training courses:...
- 11 (1) Schedule 14 to the Taxes Act 1988 (life assurance...

*The Finance Act 1989*

- 12 (1) Section 57 of the Finance Act 1989 (medical insurance:...
- 13 In section 178 of the Finance Act 1989 (setting rates...

*The Finance Act 1991*

- 14 (1) Section 33 of the Finance Act 1991 (vocational training)...

*The Taxation of Chargeable Gains Act 1992*

- 15 (1) Section 281 of the Taxation of Chargeable Gains Act...

*The Finance Act 1995*

- 16 In section 73(4) of the Finance Act 1995 (power to...

*Commencement*

- 17 (1) Paragraphs 1 to 3, 6(2)(a) and (b), 8, 10,...

SCHEDULE 19 — Self-assessment: claims and enquiries

*Introductory*

- 1 The Taxes Management Act 1970, as it has effect—

*Matters subject to enquiry*

- 2 In each of sections . . . 11AB(1),. . . . .

*Power to call for documents*

- 3 (1) In section 19A (power to call for documents for...

*Further amendments of section 28A*

- 4 . . . . .

*Further amendments of section 28B*

- 5 . . . . .

*Right of appeal against notice disallowing claim in return*

- 6 . . . . .
- 7 In section 50 (procedure on appeals), after subsection (7) there...

*Claims not included in returns*

- 8 (1) In Schedule 1A (claims not included in returns), in...
- 9 . . . . .

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*Right of appeal against notice disallowing claim not in return*

10 (1) In paragraph 9 of Schedule 1A (appeals), for sub-paragraph...

SCHEDULE 20 — Self-assessment: discretions exercisable by the Board etc.

*The Taxes Act 1988*

- 1 In section 24(2) of the Taxes Act 1988 (presumption as...
- 2 In section 38(4) of the Taxes Act 1988 (assumptions as...
- 3 In section 65(4) of the Taxes Act 1988 (assessments under...
- 4 In section 74(1)(j) of the Taxes Act 1988 (Case I...
- 5 (1) In section 109A of the Taxes Act 1988 (relief...
- 6 In section 132(1) of the Taxes Act 1988 (emoluments for...
- 7 In section 145(7) of the Taxes Act 1988 (living accommodation...
- 8 In section 159 of the Taxes Act 1988 (pooled cars)—...
- 9 In section 161 of the Taxes Act 1988 (exceptions from...
- 10 (1) In section 168 of the Taxes Act 1988 (interpretative...
- 11 In section 186(10) of the Taxes Act 1988 (value of...
- 12 In section 231(3A) of the Taxes Act 1988 (restriction of...
- 13 In section 257 of the Taxes Act 1988 (personal allowance)—...
- 14 (1) Section 257A of the Taxes Act 1988 (married couple's...
- 15 In section 257E(1) of the Taxes Act 1988 (claimant entitled...
- 16 (1) Section 257F of the Taxes Act 1988 (transitional relief...
- 17 (1) Section 259 of the Taxes Act 1988 (additional relief...
- 18 In section 261A(1) of the Taxes Act 1988 (person who...
- 19 In section 265(1) of the Taxes Act 1988 (claimant entitled...
- 20 In section 274(4) of the Taxes Act 1988 (effect of...
- 21 In section 278(2) of the Taxes Act 1988 (bar on...
- 22 In section 306(2) of the Taxes Act 1988 (claim for...
- 23 In section 311(4) of the Taxes Act 1988 (application of...
- 24 In section 381(4) of the Taxes Act 1988 (no relief...
- 25 (1) In section 384 of the Taxes Act 1988 (restrictions...
- 26 In section 393A of the Taxes Act 1988 (losses: set-off...
- 27 In section 397(3) of the Taxes Act 1988 (farming and...
- 28 (1) Section 488 of the Taxes Act 1988 (co-operative housing...
- 29 (1) Section 489 of the Taxes Act 1988 (self-build societies)...
- 30 In section 503(6) of the Taxes Act 1988 (apportionments where...
- 31 In section 570(2) of the Taxes Act 1988 (schemes for...
- 32 In section 582(2)(b) of the Taxes Act 1988 (cases where...
- 33 (1) Section 584 of the Taxes Act 1988 (relief for...
- 34 In section 585(1) of the Taxes Act 1988 (relief for...
- 35 In section 717(9) of the Taxes Act 1988 (which provides...
- 36 In section 731(3) of the Taxes Act 1988 (cases of...
- 37 In section 769(2)(d) of the Taxes Act 1988 (acquisitions of...
- 38 (1) Section 812 of the Taxes Act 1988 (withdrawal of...
- 39 In section 815A of the Taxes Act 1988 (transfer of...
- 40 .....
- 41 In Schedule 7 to the Taxes Act 1988 (taxation of...
- 42 In Schedule 12 to the Taxes Act 1988 (foreign earnings)...
- 43 In Schedule 21 to the Taxes Act 1988 (tax relief...

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### *The Capital Allowances Act 1990*

44 .....

### *The Taxation of Chargeable Gains Act 1992*

- 45 In the following provisions of this Schedule “the Gains Act”...
- 46 In section 30(4) of the Gains Act (section not to...
- 47 In each of— (a) subsections (5) and (6) of section...
- 48 In section 48 of the Gains Act (consideration due after...
- 49 In section 49 of the Gains Act (contingent liabilities) for...
- 50 In section 52(4) of the Gains Act (apportionments by such...
- 51 In section 116(13) of the Gains Act (subsection (12) not...
- 52 (1) In section 122 of the Gains Act (distribution which...
- 53 (1) In section 133 of the Gains Act (premiums on...
- 54 In each of sections 150(10)(a) and 150A(9)(a) of the Gains...
- 55 In section 164F(8)(a) of the Gains Act (section not to...
- 56 In section 164FG of the Gains Act (multiple claims for...
- 57 (1) In each of subsections (4) and (6) of section...
- 58 In section 181(1)(b) of the Gains Act (sections 178 and...
- 59 (1) Section 222 of the Gains Act (relief on disposal...
- 60 In section 224(2) of the Gains Act (adjustment of relief...
- 61 In section 226 of the Gains Act (relief in respect...
- 62 In section 241(7) of the Gains Act (apportionments where a...
- 63 (1) In section 271 of the Gains Act (miscellaneous exemptions)...
- 64 In section 279(1) of the Gains Act (claimant for deduction...
- 65 In section 280 of the Gains Act (payment of tax...
- 66 (1) Schedule 6 to the Gains Act (retirement relief) shall...
- 67 In Schedule 8 to the Gains Act (leases) in paragraph...

### *The Finance Act 1993*

- 68 (1) In section 144 of the Finance Act 1993 (irrecoverable...
- 69 (1) In section 145 of the Finance Act 1993, in...
- 70 In Schedule 15 to the Finance Act 1993 (exchange gains...

### *The Finance Act 1994*

- 71 (1) Section 163 of the Finance Act 1994 (interest rate...

## SCHEDULE 21 — Self-assessment: time limits

### *The Taxes Act 1988*

- 1 In section 62A(3) of the Taxes Act 1988 (time limit...
- 2 (1) Section 84 of the Taxes Act 1988 (relief for...
- 3 (1) Section 101 of the Taxes Act 1988 (valuation of...
- 4 In section 257BB(5)(a) of the Taxes Act 1988 (notice to...
- 5 In section 257D(9)(a) of the Taxes Act 1988 (notice to...
- 6 In section 265(5)(a) of the Taxes Act 1988 (notice to...
- 7 In section 306(1) of the Taxes Act 1988 (claim for...
- 8 (1) Section 356B of the Taxes Act 1988 (residence basis:...
- 9 In section 356C(6) of the Taxes Act 1988, for paragraph...
- 10 In section 381(1) of the Taxes Act 1988 (claim to...
- 11 In section 392(5) of the Taxes Act 1988 (claim to...

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- 12 In section 471 of the Taxes Act 1988 (exchange of...
- 13 (1) In section 472 of the Taxes Act 1988 (distribution...
- 14 (1) Section 504 of the Taxes Act 1988 shall be...
- 15 (1) Section 524 of the Taxes Act 1988 (taxation of...
- 16 In section 585(6) of the Taxes Act 1988 (no claim...
- 17 In section 619(4) of the Taxes Act 1988 (election to...
- 18 .....
- 19 In section 691(4) of the Taxes Act 1988 (election to...
- 20 In section 700(3) of the Taxes Act 1988 (time for...
- 21 (1) Section 781 of the Taxes Act 1988 (assets leased...
- 22 In section 804(7) of the Taxes Act 1988 (claim for...
- 23 In section 806(1) of the Taxes Act 1988 (claim to...
- 24 In Schedule 11 to the Taxes Act 1988, in paragraph...

*The Finance Act 1988 (c. 39)*

- 25 In section 39(2)(b) of the Finance Act 1988 (election to...

*The Capital Allowances Act 1990 (c. 1)*

- 26 .....
- 27 .....
- 28 .....
- 29 .....
- 30 .....
- 31 .....
- 32 .....
- 33 .....
- 34 .....

*The Taxation of Chargeable Gains Act 1992 (c. 12)*

- 35 In section 35(6) of the Taxation of Chargeable Gains Act...
- 36 In section 161 of the Taxation of Chargeable Gains Act...
- 37 In section 242 of the Taxation of Chargeable Gains Act...
- 38 In section 243 of the Taxation of Chargeable Gains Act...
- 39 In section 244 of the Taxation of Chargeable Gains Act...
- 40 In section 253 of the Taxation of Chargeable Gains Act...
- 41 In section 279 of the Taxation of Chargeable Gains Act...
- 42 (1) Schedule 2 to the Taxation of Chargeable Gains Act...
- 43 In Schedule 4 to the Taxation of Chargeable Gains Act...
- 44 (1) Schedule 6 to the Taxation of Chargeable Gains Act...

*The Finance (No. 2) Act 1992 (c. 48)*

- 45 For section 41(6) of the Finance (No. 2) Act 1992...
- 46 For section 42(6) of the Finance (No. 2) Act 1992...
- 47 (1) Schedule 10 to the Finance ( No. 2) Act...

*The Finance Act 1994 (c. 9)*

- 48 (1) Section 118 of the Finance Act 1994 (expenditure on...

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*The Taxes Management Act 1970*

- 1 The Taxes Management Act 1970 shall be amended in accordance...
- 2 In section 19A (power to call for documents for purposes...
- 3 .....
- 4 .....
- 5 In section 33A (error or mistake in partnership statement), for...
- 6 Section 42(12) and Schedule 2 (Commissioners to whom appeal lies...
- 7 For section 47 there shall be substituted the following sections—...
- 8 In section 57(3)(c) (power to make regulations authorising conditional decisions...
- 9 In Schedule 1A (claims not included in returns), after paragraph...
- 10 The following Schedule shall be substituted for Schedule 3—  
SCHEDULE...

*Section 102 of the Taxes Act 1988*

- 11 In section 102(1)(a) of the Taxes Act 1988 (cases where...

*Commencement of Schedule*

- 12 This Schedule has effect in relation to—

SCHEDULE 23 — Self-assessment: Schedules 13 and 16 to the Taxes Act 1988

Part I — SCHEDULE 13 TO THE TAXES ACT 1988

- 1 Schedule 13 to the Taxes Act 1988 (collection of advance...
- 2 In paragraph 2 (contents of returns) in sub-paragraph (2) (specification...
- 3 In paragraph 3(3) (power of the inspector to make an...
- 4 (1) In sub-paragraph (1) of paragraph 3B (power of the...
- 5 In paragraph 5 (certain deemed claims for set-off in respect...
- 6 In paragraph 6A(1) (certain deemed claims for set-off in respect...
- 7 (1) Paragraph 7 (special provision for qualifying distributions which are...
- 8 After paragraph 7 there shall be inserted— Amended return where...
- 9 In paragraph 8 (power of inspector to make assessments etc...
- 10 Schedule 16 to the Taxes Act 1988 (collection of income...
- 11 In paragraph 4(2) (cases where the inspector may make an...
- 12 After paragraph 7 there shall be inserted— Amended return where...
- 13 In paragraph 8 (power of inspector to make assessments etc...

SCHEDULE 24 — Self-assessment: accounting periods etc.

Part I — AMENDMENTS OF THE TAXES MANAGEMENT ACT 1970

*Introductory*

- 1 The Taxes Management Act 1970 shall be amended in accordance...
- 2 In section 11 (return of profits), after subsection (9) there...

*Power to enquire into return for wrong period, etc.*

- 3 In section 11AA (return of profits to include self-assessment), after...
- 4 (1) In section 11AB(1) (power to enquire into return of...
- 5 .....



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*Amendment of return for wrong period*

6 After section 28A there shall be inserted the following sections—...

*Failure to deliver return: determinations*

7 After section 28C there shall be inserted the following sections—...

*Commencement*

8 (1) Paragraphs 3 to 6 above have effect in relation...

Part II — OTHER AMENDMENTS

*General*

9 In this Part of this Schedule “the appointed day” means...

*Repeal of section 8A of the Taxes Act 1988*

10 Section 8A of the Taxes Act 1988 (resolutions to reduce...

*Determination of accounting date*

11 (1) Section 12 of the Taxes Act 1988 (basis of,...

*Companies in liquidation*

12 (1) Section 342 of the Taxes Act 1988 (companies in...

*Construction of references to assessments*

13 In section 197(1) of the Finance Act 1994 (construction of...

SCHEDULE 25 — Self-assessment: surrenders of advance corporation tax

*Amendments of section 240 of the Taxes Act 1988*

1 (1) Section 240 of the Taxes Act 1988 (set-off of...

*The new Schedule 13A to the Taxes Act 1988*

2 After Schedule 13 to the Taxes Act 1988 there shall...

3 Paragraphs 1 and 2 above have effect where the accounting...

*Other amendments*

4 Section 239(5) of the Taxes Act 1988 (manner in which...

5 In the Table in section 98 of the Taxes Management...

SCHEDULE 26 — Damages and compensation for personal injury

SCHEDULE 27 — Foreign income dividends

*Companies that pay FIDs*

1 (1) In section 246A(1) of the Taxes Act 1988 (foreign...

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### *Recipients of FIDs*

- 2 Section 246D(5) of that Act (exclusion of section 233(1) and...

### *Calculation of the distributable foreign profit and the notional foreign source ACT*

- 3 (1) In section 246I(6) of that Act, for the words...

#### *International headquarters company*

- 4 (1) Section 246S of that Act (conditions for treatment as...

#### *Life assurance business charged under Case I of Schedule D*

- 5 (1) In section 440B of that Act (modifications for life...

#### *Foreign income distributions to corporate unit holders*

- 6 (1) In section 468R of that Act (foreign income distributions...

### SCHEDULE 28 — FOTRA securities: consequential amendments

#### *The Taxes Act 1988*

- 1 Section 47 of the Taxes Act 1988 (FOTRA securities) shall...  
 2 Section 474(2) of that Act (which prevents the deduction of...  
 3 (1) In section 475 of that Act (tax-free securities: exclusion...  
 4 .....  
 5 In paragraph 5C of Schedule 19AC to that Act (modification...  
 6 In paragraph 1(3) of Schedule 24 to that Act and...

#### *The Inheritance Tax Act 1984 (c. 51)*

- 7 In section 6(2) of the Inheritance Tax Act 1984 (FOTRA...  
 8 In each of paragraphs (a) and (b) of section 48(4)...

### SCHEDULE 29 — Paying and Collecting Agents etc.

#### Part I — THE NEW CHAPTER

- 1 In Part IV of the Taxes Act 1988 (provisions relating...

#### Part II — OTHER PROVISIONS

#### *Penalties*

- 2 (1) In section 98 of the Taxes Management Act 1970...

#### *Amendments of the Taxes Act 1988*

- 3 The Taxes Act 1988 shall be amended in accordance with...  
 4 For section 124(2) to (5) there shall be substituted—  
 5 (1) In section 348(3) and in section 349(1), at the...  
 6 In section 582A (designated international organisations: miscellaneous  
 exemptions), in subsection...  
 7 In paragraph 4(8) of Schedule 23A (manufactured overseas dividends),  
 for...

#### *Amendment of the Finance Act 1989*

- 8 In section 178 of the Finance Act 1989 (setting rates...

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SCHEDULE 30 — Investments in housing

*Reduced rate of corporation tax*

1 After section 508 of the Taxes Act 1988 there shall...

*Investments in housing by investment trusts*

2 (1) Section 842 of the Taxes Act 1988 (investment trusts)...

*Commencement*

3 This Schedule has effect in relation to accounting periods beginning...

SCHEDULE 31 — Life assurance business losses

*Expenses of management*

1 In section 76 of the Taxes Act 1988 (expenses of...

*Computation of losses and limitation on relief*

2 (1) In relation to accounting periods beginning on or after...

*Spreading of relief for acquisition expenses*

3 (1) In section 86 of the Finance Act 1989 (spreading...

*Ascertainment of losses*

4 In section 83 of the Finance Act 1989 (receipts to...

*Application of surplus in reduction of certain losses*

5 .....

*Meaning of "brought into account" in sections 83AA and 83AB*

6 .....

*Enactments disapplying section 83(3) of the Finance Act 1989*

7 (1) The following provisions of the Taxes Act 1988 (each...

*Overseas life insurance companies*

8 (1) Schedule 8A to the Finance Act 1989 (modifications of...

*Transitional provisions*

9 .....

*Commencement*

10 (1) Subject to paragraph 2(1) and (3) above, paragraphs 1...

SCHEDULE 32 — Equalisation reserves

1 In Chapter I of Part XII of the Taxes Act...

2 In the second column of the Table in section 98...

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### SCHEDULE 33 — Management expenses of capital redemption business

#### *Amendment of section 76 of Taxes Act*

- 1 (1) In section 76 of the Taxes Act 1988 (management...

#### *Treatment of capital redemption business*

- 2 In subsection (1) of section 458 of the Taxes Act...

#### *Overseas life insurance companies*

- 3 In sub-paragraph (1) of paragraph 5 of Schedule 19AC to...

#### *Commencement*

- 4 This Schedule has effect as respects accounting periods ending on...

### SCHEDULE 34 — Provisional repayments in connection with pension business

#### Part I — AMENDMENTS OF SCHEDULE 19AB TO THE TAXES ACT 1988

- 1 (1) Paragraph 1 (entitlement to certain payments on account) shall...

- 2 (1) Paragraph 2 (changes in the provisional fraction) shall be...

- 3 (1) Paragraph 3 (repayment, with interest, of excessive provisional repayments)...

- 4 (1) Paragraph 6 (interpretation) shall be amended in accordance with...

#### Part II — AMENDMENTS OF SCHEDULE 19AC TO THE TAXES ACT 1988

- 5 (1) Paragraph 15 (modification of Schedule 19AB) shall be amended...

### SCHEDULE 35 — Roll-over relief in respect of ships

#### *Preliminary*

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

#### *Amendment of provisions relating to roll-over relief in respect of ships*

- 2 (1) In subsection (3) of section 33A (relief limited to...

- 3 (1) In subsection (1) of section 33C (re-imposition of deferred...

- 4 (1) In section 33D (definition of expenditure on new shipping),...

- 5 (1) In section 33E (definition of a qualifying ship), after...

- 6 (1) In section 33F (procedural provisions), in subsection (4)—

#### *Commencement*

- 7 (1) Subject to sub-paragraph (2) below, this Schedule shall have...

### SCHEDULE 36 — Controlled foreign companies

- 1 (1) Section 747A of the Taxes Act 1988 (special rule...

- 2 In section 748(3) of the Taxes Act 1988 (direction under...

- 3 (1) Schedule 24 to the Taxes Act 1988 (assumptions for...

- 4 (1) Schedule 25 to the Taxes Act 1988 (cases excluded...

### SCHEDULE 37 — Banks

#### Part I — “BANK” RE-DEFINED FOR CERTAIN PURPOSES

- 1 (1) After section 840 of the Taxes Act 1988 there...

#### Part II — AMENDMENTS OF THE TAXES ACT 1988

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*Provisions in which new meaning of “bank” applies*

- 2 (1) The following subsection— (0) In this section “bank” has...

*Related amendments*

- 3 In section 349(3) of the Taxes Act 1988—  
4 After subsection (3AA) of section 349 of the Taxes Act...  
5 In Schedule 20 to the Taxes Act 1988, in paragraphs...

*Application*

- 6 The amendments of the Taxes Act 1988 made by paragraphs...  
7 The amendment of section 234A applies in relation to payments...  
8 (1) The amendment of subsection (3)(a) of section 349, and...  
9 The amendments of sections 745 and 816 apply in relation...  
10 The amendments of paragraphs 7 and 10 of Schedule 20...

Part III — OTHER AMENDMENTS

*Amendments of the Management Act*

- 11 (1) The following subsection— (0) In this section “bank” has...

*Amendments of the Inheritance Tax Act 1984*

- 12 (1) In section 157 of the Inheritance Tax Act 1984...

SCHEDULE 38 — Quotation or listing of securities

*The Finance Act 1973*

- 1 (1) In section 38(2)(c) of the Finance Act 1973 (disposals...

*The Inheritance Tax Act 1984*

- 2 (1) For the second and the last occurrences of the...  
3 (1) In section 180(3) of that Act (whether two investments...  
4 (1) In section 178(2) of that Act (shares or investments...  
5 (1) In each of sections 227(1AA) and 228(5) of that...

*The Taxes Act 1988*

- 6 (1) In each of the provisions of the Taxes Act...  
7 (1) In each of the provisions of that Act listed...  
8 (1) In section 251(5) of that Act (application of section...  
9 (1) In section 735(3) of that Act (meaning of the...

*The Taxation of Chargeable Gains Act 1992*

- 10 (1) In each of the provisions of the Taxation of...  
11 (1) In section 146(4)(b) of that Act (definition of “quoted...  
12 (1) In section 272(3) of that Act (market value of...

SCHEDULE 39 — Enactment of Certain Inland Revenue Extra-Statutory  
Concessions

Part I — INCOME TAX AND CORPORATION TAX

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### *Capital Allowances*

- 1 (1) The Capital Allowances Act 1990 (“the 1990 Act”) shall...

#### *Contributions to overseas pension schemes*

- 2 (1) Section 76 of the Finance Act 1989 (non-approved retirement...  
Part II — CHARGEABLE GAINS

#### *Treatment of compensation and insurance money*

- 3 (1) Section 23 of the Taxation of Chargeable Gains Act...

#### *Assets of negligible value*

- 4 (1) Section 24 of the Taxation of Chargeable Gains Act...

#### *Settled Property*

- 5 (1) Section 72 of the Taxation of Chargeable Gains Act...  
6 (1) Section 73 of the Taxation of Chargeable Gains Act...

#### *Retirement Relief*

- 7 (1) Paragraph 14 of Schedule 6 to the Taxation of...

#### *Relief for loans to traders*

- 8 (1) Section 253 of the Taxation of Chargeable Gains Act...

#### *Relief for debts on qualifying corporate bonds*

- 9 (1) Section 254 of the Taxation of Chargeable Gains Act...  
Part III — STAMP DUTY

#### *Lost or spoiled instruments*

- 10 (1) The Stamp Duties Management Act 1891 (“the Management Act”)...

### SCHEDULE 40 — Gilt stripping: taxation provisions

#### *The Stamp Act 1891 (c. 39)*

- 1 In the definition of “stock” in section 122(1) of the...  
2 (1) At the end of paragraph (1) of the general...

#### *The Taxes Act 1988*

- 3 (1) At the end of subsection (5) of section 710...  
4 In section 711 of the Taxes Act 1988 (interpretation of...  
5 In section 712(4) of the Taxes Act 1988 (meaning of...  
6 In the Taxes Act 1988, the following section shall be...  
7 In the Taxes Act 1988, the following section shall be...

#### *The Taxation of Chargeable Gains Act 1992 (c. 12)*

- 8 In Schedule 9 to the Taxation of Chargeable Gains Act...

### SCHEDULE 41 — Repeals

*Status: Point in time view as at 19/03/2008.*

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- Part I — HYDROCARBON OIL DUTY: RELIEF FOR MARINE VOYAGES
- Part II — VEHICLE EXCISE AND REGISTRATION
- Part III — EXCISE DUTIES: REPEAL OF DRAWBACKS ETC.
- Part IV — VALUE ADDED TAX
- Part V — INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX
- (2) Transfer of Schedule C charge etc. Chapter Short title...
- (7) Self-assessment: notices Chapter Short title Extent of repeal 1970...
- (22) Venture capital trusts Chapter Short title Extent of repeal...
- Part VI — INHERITANCE TAX
- 1 Subject to note 2 below, these repeals have effect in...
- 2 The repeal in section 116 of the Inheritance Tax Act...
- Part VII — STAMP DUTY AND STAMP DUTY RESERVE TAX
- 1 The repeals in sections 87 and 88 of the Finance...
- 2 The repeals in sections 94 and 96 of the Finance...
- 3 The repeal in section 97 of the Finance Act 1986...
- 4 The repeals in the Finance Act 1996 have effect—
- Part VIII — MISCELLANEOUS

**Status:**

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