S C H E D U L E S

SCHEDULE 28   Section 154.

FOTRA SECURITIES: CONSEQUENTIAL AMENDMENTS

The Taxes Act 1988

1   Section 47 of the Taxes Act 1988 (FOTRA securities) shall cease to have effect.

2   Section 474(2) of that Act (which prevents the deduction of expenses in respect of securities the income on which is exempt from tax) shall cease to have effect.

3   (1) In section 475 of that Act (tax-free securities: exclusion of interest on borrowed money), for subsection (1) there shall be substituted the following subsection—

> "(1) This section has effect where a banking business, an insurance business or a business consisting wholly or partly in dealing in securities—
>
> > (a)   is carried on in the United Kingdom by a person not ordinarily resident there; and
> >
> > (b)   in computing for any of the purposes of the Tax Acts the profits arising from, or loss sustained, in the business, any amount which would otherwise be brought into account is disregarded by virtue of a condition subject to which any 3½% War Loan 1952 or after was issued;
>
> and for this purpose insurance business includes insurance business of any category."

(2) In subsections (3) and (8) of that section for the words "tax-free Treasury securities", in each place where they occur, there shall be substituted " 3½% War Loan 1952 or after ".

(3) Subsections (6) and (7) of that section shall cease to have effect.

F14   . . . .

Textual Amendments

F1   Sch. 28 para. 4 repealed (1.9.2000 with effect in relation to accounting periods of a company beginning on or after 1.1.2000 and ending on or after 1.9.2000) by S.I. 2000/2188, **arts. 1**, 6(2)

F25   . . . .

Textual Amendments

F2   Sch. 28 para. 5 repealed (with effect in accordance with reg. 1 of the amending S.I.) by The Overseas Life Insurance Companies Regulations 2006 (S.I. 2006/3271), reg. 1, **Sch. Pt. 1**

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6   In paragraph 1(3) of Schedule 24 to that Act and in paragraph 5(5) of Schedule 27 to
        that Act (amount taken into account in computing tax of company on the assumption
        that it is resident in the United Kingdom), for "by virtue of section 47 or 48"
        there shall be substituted, in each case, " and have been so received by virtue of
        section 154(2) of the Finance Act 1996 ".

The Inheritance Tax Act 1984 (c. 51)

7   In section 6(2) of the Inheritance Tax Act 1984 (FOTRA securities to be excluded
        property in specified circumstances), for the words from "neither" to "United
        Kingdom" there shall be substituted " of a description specified in the condition ".

8   In each of paragraphs (a) and (b) of section 48(4) of that Act (excluded property in
        the case of settlements), for the words from "neither" to "United Kingdom" there
        shall be substituted " of a description specified in the condition in question ".

Status:
Point in time view as at 31/12/2006.

Changes to legislation:
Finance Act 1996, SCHEDULE 28 is up to date with all changes known to be in force on or before 25 May 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.