



# Finance (No. 2) Act 1997

## CHAPTER 58

### FINANCE (NO. 2) ACT 1997

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**SCHEDULES**

**SCHEDULE 1 — Quantification of a privatisation windfall**

*The basic rule*

- 1 (1) Subject to paragraph 7 below, where a company was...

*Value of a disposal in profit-making terms*

- 2 (1) Subject to paragraph 4 below, the value in profit-making...

*Value put on a disposal for privatisation purposes*

- 3 (1) Subject to paragraph 4 below, the value which for...

*Cases where company privatised in stages*

- 4 (1) For the purposes of this Schedule, where the disposal...

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*Total profits for the initial period*

- 5 (1) For the purposes of paragraph 2 above the amount...

*Meaning of the initial period etc*

- 6 (1) In this Schedule “initial period”, in relation to a...

*Apportionment between demerged successors and predecessors*

- 7 (1) This paragraph applies where— (a) a company (“the predecessor...

*General interpretation of the Schedule*

- 8 (1) In this Schedule “financial year”, in relation to a...

SCHEDULE 2 — Administration and collection of windfall tax

*Returns*

- 1 (1) The Board may by notice require any company which...

*Notification of liability and failure to make return*

- 2 (1) If a chargeable company has not, before 1st December...

*Payment of windfall tax*

- 3 (1) The amount of windfall tax with which a chargeable...

*General power to make assessments*

- 4 (1) Subject to the following provisions of this Schedule, the...

*Power to make assessments on discovery of unassessed liabilities*

- 5 (1) If the Board discover that any company which—

*Supplemental provisions about assessments*

- 6 (1) An assessment shall not be made under this Schedule...

*Claims to relieve double assessment*

- 7 (1) If, on a claim made to the Board, it...

*Claims to correct errors or mistakes in returns etc.*

- 8 (1) If any company which has paid an amount of...

*Appeals against assessments and decisions on claims*

- 9 (1) An appeal to the Special Commissioners shall lie against...

*Powers of Special Commissioners on an appeal*

- 10 (1) Where there is an appeal to the Special Commissioners...

*Procedures on appeal*

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

*Interest*

- 12 (1) Where any amount of windfall tax with which a...

*Collection of information*

- 13 (1) For the purposes of this Part, section 20 of...

*Penalties for furnishing false information*

- 14 (1) Where a chargeable company fraudulently or negligently delivers an...

*Recovery of tax*

- 15 (1) The provisions of the Management Act which are set...

*Recovery against other group members*

- 16 (1) Subject to sub-paragraph (3) below, where any amount of...

*General provisions about penalties etc.*

- 17 (1) Where a company which has become liable to a...

*Miscellaneous applications*

- 18 (1) The provisions of the Management Act which are set...

*Interpretation*

- 19 (1) In this Schedule— “the Board” means the Commissioners of...

SCHEDULE 3 — Insurance companies and friendly societies

*Section 76 of the Taxes Act 1988*

- 1 (1) Section 76 of the Taxes Act 1988 (expenses of...

*Section 432E of the Taxes Act 1988*

- 2 (1) In section 432E of the Taxes Act 1988 (section...

*Section 434 of the Taxes Act 1988*

- 3 (1) Section 434 of the Taxes Act 1988 (franked investment...

*Section 434A of the Taxes Act 1988*

- 4 (1) In section 434A of the Taxes Act 1988 (computation...

*Section 436 of the Taxes Act 1988*

- 5 (1) In section 436 of the Taxes Act 1988 (pension...

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*Section 438 of the Taxes Act 1988*

- 6 (1) Section 438 of the Taxes Act 1988 (pension business:...

*Section 439B of the Taxes Act 1988*

- 7 (1) In section 439B of the Taxes Act 1988 (life...

*Section 440B of the Taxes Act 1988*

- 8 (1) Section 440B of the Taxes Act 1988 (modifications where...

*Section 441A of the Taxes Act 1988*

- 9 (1) Section 441A of the Taxes Act 1988 (section 441:...

*Schedule 19AB to the Taxes Act 1988*

- 10 (1) Schedule 19AB to the Taxes Act 1988 (payments on...  
11 (1) Schedule 19AB to the Taxes Act 1988, as it...  
12 (1) For the purposes of section 121 of the Finance...

*Schedule 19AC to the Taxes Act 1988*

- 13 (1) Schedule 19AC to the Taxes Act 1988 (modification of...

*Section 89 of the Finance Act 1989*

- 14 (1) Section 89 of the Finance Act 1989 (policy holders'...

*Section 65 of the Finance (No.2) Act 1992*

- 15 In section 65 of the Finance (No.2) Act 1992 (life...

SCHEDULE 4 — Tax credits, taxation of distributions etc  
Part I — GENERAL

**THE TAXES MANAGEMENT ACT 1970**

*Section 7*

- 1 (1) In section 7 of the Taxes Management Act 1970...

*Section 42 (pre-corporation tax self-assessment version)*

- 2 (1) In section 42 of the Taxes Management Act 1970...

*Section 42 (corporation tax self-assessment version)*

- 3 (1) In section 42 of the Taxes Management Act 1970...

**THE TAXES ACT 1988**

*Section 231*

- 4 (1) In section 231 of the Taxes Act 1988 (tax...

*Section 232*

5 (1) In section 232 of the Taxes Act 1988 (tax...

*Section 233*

6 (1) Section 233 of the Taxes Act 1988 (taxation of...

*Sections 235 to 237*

7 (1) Sections 235 to 237 of the Taxes Act 1988...

*Section 238*

8 (1) In section 238(1) of the Taxes Act 1988 (interpretation...

*Section 241*

9 (1) In section 241 of the Taxes Act 1988, for...

*Section 249*

10 (1) Section 249 of the Taxes Act 1988 (stock dividends...

*Section 421*

11 (1) In section 421 of the Taxes Act 1988 (taxation...

*Section 469*

12 (1) Section 469 of the Taxes Act 1988 (unit trusts...

*Section 549*

13 (1) In section 549 of the Taxes Act 1988 (policies...

*Section 660C*

14 (1) Section 660C of the Taxes Act 1988 (settlements where...

*Section 687*

15 (1) In section 687 of the Taxes Act 1988 (payments...

*Section 689B*

16 (1) Section 689B of the Taxes Act 1988 (order in...

*Section 699*

17 (1) In section 699 of the Taxes Act 1988 (relief...

*Section 703*

18 (1) In section 703 of the Taxes Act 1988 (cancellation...

*Section 709*

19 (1) In section 709 of the Taxes Act 1988 (meaning...

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*Section 743*

- 20 (1) Section 743 of the Taxes Act 1988 (provisions supplemental...

*Section 819*

- 21 (1) In section 819 of the Taxes Act 1988 (old...

*Section 832*

- 22 (1) In section 832 of the Taxes Act 1988 (interpretation...

*Schedule 13*

- 23 (1) Schedule 13 to the Taxes Act 1988 (collection of...

**THE TAXATION OF CHARGEABLE GAINS ACT 1992**

*Section 4*

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

*Section 6*

- 25 (1) In section 6 of the Taxation of Chargeable Gains...  
Part II — INSURANCE COMPANIES AND LLOYD'S UNDERWRITERS

**THE TAXES ACT 1988**

*Section 231B*

- 26 (1) In section 231B of the Taxes Act 1988, in...

*Section 434*

- 27 (1) In section 434 of the Taxes Act 1988 (franked...

*Section 441A*

- 28 (1) In section 441A, subsections (2) to (8) (regulations about...

*Schedule 19AC*

- 29 (1) Schedule 19AC to the Taxes Act 1988 (overseas life...

**THE FINANCE ACT 1993**

*Schedule 20*

- 30 (1) In Schedule 20 to the Finance Act 1993 (Lloyd's...

SCHEDULE 5 — Limitation of entitlement to relief under section 35

Part I — QUALIFYING DISTRIBUTIONS OTHER THAN BONUS ISSUES

- 1 This Part of this Schedule applies where a person ("the...

- 2 Where this Part of this Schedule applies, if any part...



- 3 This Part of this Schedule applies to any qualifying distribution...  
4 Notwithstanding the repeal of sections 235 and 236 of the...  
5 For the purposes of this Part of this Schedule and...  
    Part II — BONUS ISSUES  
6 A person (“the claimant”) who receives an amount treated as...  
7 Paragraph 6 above shall not affect a person’s entitlement to...  
8 For the purposes of paragraph 7 above—

SCHEDULE 6 — Foreign income dividends

*Section 13 of the Taxes Act 1988*

- 1 (1) Section 13 of the Taxes Act 1988 (small companies'...

*Section 75 of the Taxes Act 1988*

- 2 (1) Section 75 of the Taxes Act 1988 (expenses of...

*Chapter VA of Part VI of the Taxes Act 1988*

- 3 (1) Sections 246A to 246Y of the Taxes Act 1988...

*Section 247 of the Taxes Act 1988*

- 4 (1) In section 247 of the Taxes Act 1988 (dividends...

*Section 431 of the Taxes Act 1988*

- 5 (1) In section 431(2) of the Taxes Act 1988 (interpretation...

*Section 434 of the Taxes Act 1988*

- 6 (1) Section 434 of the Taxes Act 1988 (franked investment...

*Section 458 of the Taxes Act 1988*

- 7 (1) In section 458 of the Taxes Act 1988 (capital...

*Chapter III of Part XII of the Taxes Act 1988*

- 8 (1) In section 468H of the Taxes Act 1988 (interpretation...

*Section 490 of the Taxes Act 1988*

- 9 (1) Section 490 of the Taxes Act 1988 (companies carrying...

*Section 687 of the Taxes Act 1988*

- 10 (1) In section 687 of the Taxes Act 1988 (payments...

*Section 689B of the Taxes Act 1988*

- 11 (1) In section 689B of the Taxes Act 1988 (order...

*Section 699A of the Taxes Act 1988*

- 12 (1) In section 699A of the Taxes Act 1988 (untaxed...

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*Section 701 of the Taxes Act 1988*

13 (1) In section 701 of the Taxes Act 1988 (interpretation)...

*Section 731 of the Taxes Act 1988*

14 (1) Section 731 of the Taxes Act 1988 (application and...

*Section 802 of the Taxes Act 1988*

15 (1) Section 802 of the Taxes Act 1988 (UK insurance...

*Schedule 13 to the Taxes Act 1988*

16 (1) Schedule 13 to the Taxes Act 1988 shall be...

*Schedule 23A to the Taxes Act 1988*

17 (1) Schedule 23A to the Taxes Act 1988 (manufactured dividends...

*Section 88A of the Finance Act 1989*

18 (1) In section 88A of the Finance Act 1989 (lower...

*Section 89 of the Finance Act 1989*

19 (1) Section 89 of the Finance Act 1989 (policy holders'...

*Section 171 of the Finance Act 1993*

20 (1) Section 171 of the Finance Act 1993 (taxation of...

*Schedule 7 to the Finance Act 1997*

21 (1) Schedule 7 to the Finance Act 1997 shall be...

*Transitional provisions*

22 (1) Where, in the case of an accounting period of...

23 Where a foreign income dividend paid by a company before...

SCHEDULE 7 — Restrictions on group relief

*Introductory*

1 Chapter IV of Part X of the Taxes Act 1988...

*New limits*

2 The following sections shall be inserted after section 403— Limits...

*Consequential amendments*

3 Subsection (9) of section 403 (fraction limiting relief in the...

4 In section 405(4) (claims relating to losses of members of...

5 (1) In section 406 (consortium claims by or in relation...

6 Sections 408, 409 and 411(2) to (9) (which limit group...

7 In section 413 (interpretation), after subsection (2) there shall be...

8 In section 179(4) of the Taxation of Chargeable Gains Act...

*Commencement*

9 (1) This Schedule has effect, subject to sub-paragraphs (2) to...

SCHEDULE 8 — Repeals

Part I — VEHICLE LICENSING: PAYMENTS WHERE INFORMATION TO BE  
TRANSMITTED ELECTRONICALLY

Part II — INCOME TAX AND CORPORATION TAX

Part III — STATUTORY EFFECT OF RESOLUTIONS ETC