



# Finance Act 2004

## CHAPTER 12

### FINANCE ACT 2004

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- 2 After Schedule 11 to that Act insert— SCHEDULE 11A Disclosure...
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- 3 In section 70 of the Value Added Tax Act 1994...
- 4 In section 83 of that Act (appeals) after paragraph (z)...
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- 2 .....

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- 3 (1) Section 494 of the Taxes Act 1988 (charges on...

*Assumptions for calculating chargeable profits etc: transfer pricing*

- 4 In Schedule 24 to the Taxes Act 1988, paragraph 20...

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- 11 Schedule 22 to the Finance Act 2000 (c. 17) (tonnage...

#### *Transactions between tonnage tax company and another person*

- 12 (1) Paragraph 58 is amended as follows.

#### *Transactions between tonnage tax trade and other activities of same company*

- 13 (1) Paragraph 59 is amended as follows.

### *Finance Act 2002*

- 14 .....  
15 .....  
16 .....

## SCHEDULE 6 — Expenses of companies with investment business and insurance companies

### *Income and Corporation Taxes Act 1988*

- 1 .....

#### *Incidental costs of obtaining loan finance*

- 2 (1) Section 77 of the Taxes Act 1988 is amended...

#### *Change in ownership of investment company: deductions generally.*

- 3 (1) Section 768B of the Taxes Act 1988 is amended...

#### *Deductions: assets transferred within group*

- 4 (1) Section 768C of the Taxes Act 1988 is amended...

#### *Change in ownership of company carrying on property business*

- 5 (1) Section 768D of the Taxes Act 1988 is amended...

*Status: Point in time view as at 11/08/2011.*

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*Change in ownership of company with unused non-trading loss on intangible fixed assets*

6 (1) Section 768E of the Taxes Act 1988 is amended...

*Finance Act 1989*

*Charge of certain receipts of basic life assurance business*

7 (1) Section 85 of the Finance Act 1989 (c. 26)...

*Spreading of relief for acquisition expenses*

8 (1) Section 86 of the Finance Act 1989 (c. 26)...

*Finance Act 1996*

9 .....

SCHEDULE 7 — Insurance companies etc

*Transfers of business*

1 .....

2 (1) Section 444AB of the Taxes Act 1988 (charge on...

3 (1) In the Taxes Act 1988, after section 444AB insert—...

4 (1) In section 444AD of the Taxes Act 1988 (modification...

5 (1) In section 82(1) of the Finance Act 1989 (c....

*Chargeable gains*

6 (1) In section 210A(10) of the Taxation of Chargeable Gains...

*Double taxation*

7 In section 804B of the Taxes Act 1988 (double taxation...

*Meaning of “referable”*

8 (1) Section 432A of the Taxes Act 1988 (apportionment of...

9 (1) .....

SCHEDULE 8 — Loan relationships: miscellaneous amendments

*Introductory*

1 Schedule 9 to the Finance Act 1996 (c. 8) (loan...

*Late interest: close companies where limited partnership is collective investment scheme etc*

2 (1) Paragraph 2 (late interest) is amended as follows.

*Bad debts etc: release of amount where creditor is subject to insolvency proceedings*

3 (1) Paragraph 5 (bad debts etc) is amended as follows....

*Bad debt etc: parties having connection and creditor in insolvent administrative receivership*

4 (1) Paragraph 6A (bad debt etc: parties having connection and...

*Status: Point in time view as at 11/08/2011.*

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

- 5 (1) After paragraph 10 (imported losses etc) insert— Deemed assignment...

*Discounted securities of close companies: limited partnership collective investment scheme etc*

- 6 (1) Paragraph 18 (discounted securities of close companies) is amended...

*Interpretation of references to major interest*

- 7 (1) Paragraph 20 (major interest) is amended as follows.

SCHEDULE 9 — Derivative contracts: miscellaneous amendments

*Introductory*

- 1 Schedule 26 to the Finance Act 2002 (c. 23) is...

*Power to amend provisions of Schedule 26*

- 2 (1) Paragraph 13 is amended as follows.

*Deemed assignment of derivative contracts on company ceasing to be resident in UK etc*

- 3 (1) At the beginning of Part 6 (special computational provisions)...

*Derivative contracts for unallowable purposes*

- 4 (1) In paragraph 23, in sub-paragraph (7) (definition of amount...

*Open-ended investment companies: capital profits and losses*

- 5 (1) In paragraph 33(4)(b) (which refers to a subsequent statement...

SCHEDULE 10 — Amendment of enactments that operate by reference to accounting practice

Part 1 — LOAN RELATIONSHIPS

*Main computational provisions*

- 1 (1) Section 84 of the Finance Act 1996 (c. 8)...
- 2 (1) Section 84A of that Act (exchange gains and losses...
- 3 For sections 85 and 86 of that Act (authorised accounting...
- 4 In section 87 of that Act (accounting method where parties...
- 5 In section 88 of that Act (exemption from section 87...
- 6 (1) Section 88A of that Act (accounting method where rate...
- 7 Omit section 90 of that Act (changes of accounting method)...
- 8 After that section insert— Change of accounting basis applicable to...
- 9 (1) Omit section 92 of that Act (convertible securities etc....
- 10 Omit section 92A of that Act (convertible securities etc.: debtor...
- 11 (1) Omit sections 93, 93A and 93B of that Act...
- 12 Omit section 94 of that Act (indexed gilt-edged securities).
- 13 After that section insert— Loan relationships with embedded derivatives (1) This section applies where a company is permitted or...

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- 14 In section 95 of that Act (gilt strips), in subsection...
- 15 In section 96 of that Act (special rules for certain...
- 16 In section 101 of that Act (financial instruments), after subsection...
- 17 (1) Section 103 of that Act (interpretation) is amended as...

#### *Special computational provisions*

- 18 Schedule 9 to the Finance Act 1996 (c. 8) (loan...
- 19 In paragraph 3 (1) (options etc.) for “an authorised accruals...
- 20 (1) Paragraph 5 (bad debts etc.) is amended as follows....
- 21 (1) Paragraph 5A (bad debts and consortium relief) is amended...
- 22 (1) Paragraph 6 (bad debts etc where parties have a...
- 23 (1) Paragraph 6A (bad debts etc.: parties having connection and...
- 24 (1) Paragraph 6B (bad debts etc. : companies becoming connected)...
- 25 (1) Paragraph 6C (bad debts etc. : cessation of connection)...
- 26 In paragraph 8 (restriction on writing off overseas sovereign debts...
- 27 (1) Paragraph 9 (further restriction on bringing into account losses...
- 28 In paragraph 10 (imported losses etc. ), for sub-paragraph (1)...
- 29 In paragraph 10A (deemed disposal on company ceasing to be...
- 30 In paragraph 11 (transactions not at arm’s length), for sub-paragraph...
- 31 In paragraph 12 (continuity of treatment: groups etc.), in sub-paragraph...
- 32 In paragraph 13 (loan relationships for unallowable purposes), in the...
- 33 (1) Paragraph 14 (debits and credits treated as relating to...
- 34 In paragraph 16 (amounts imputed under Schedule 28AA to the...
- 35 (1) Paragraph 19 (partnerships involving companies) is amended as follows....
- 36 After paragraph 19 insert— Adjustment on change of accounting policy...

#### *Collective investment schemes etc.*

- 37 Schedule 10 to the Finance Act 1996 (c. 8) (loan...
- 38 For paragraph 1A (investment trusts and venture capital trusts: capital...
- 39 (1) Paragraph 2A (authorised unit trusts) is amended as follows....
- 40 (1) Paragraph 2B (open-ended investment companies) is amended as follows....
- 41 (1) Paragraph 4 (company holdings in unit trusts and offshore...
- 42 In Schedule 11 to the Finance Act 1996 (c. 8)...

#### *Consequential amendments*

- 43 In section 440 of the Taxes Act 1988 (insurance companies:...
- 44 In section 730A of that Act (treatment of price differential...
- 45 In Schedule 28A of that Act (change in ownership of...
- 46 In paragraph 7(3) of Schedule 26 to the Transport Act...

#### Part 2 — DERIVATIVE CONTRACTS

#### *Method of taxation*

- 47 (1) In Schedule 26 to the Finance Act 2002 (c....
- 48 (1) Paragraph 16 of that Schedule (exchange gains and losses...

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### *Accounting methods*

- 49 In the heading to Part 4 of that Schedule for...
- 50 For paragraphs 17 to 20 of that Schedule (authorised accounting...
- 51 In paragraph 21 (basis of accounting for contracts falling within...

### *Special provision for bad debt etc.*

- 52 In the heading to Part 5 of that Schedule (special...
- 53 (1) Paragraph 22 of that Schedule (bad debts etc.) is...

### *Special computational provisions*

- 54 In paragraph 22A of that Schedule (deemed assignment of derivative...
- 55 In paragraph 23 of that Schedule (derivative contracts for unallowable...
- 56 (1) Paragraph 25 of that Schedule (debits and credits treated...
- 57 In paragraph 30 of that Schedule (transactions within groups: authorised...
- 58 In paragraph 31A of that Schedule (amounts imputed under Schedule...

### *Collective investment schemes*

- 59 (1) Paragraph 32 of that Schedule (authorised unit trusts: capital...
- 60 (1) Paragraph 33 of that Schedule (open-ended investment companies: capital...
- 61 In paragraph 34 of that Schedule (power to amend paragraphs...
- 62 In paragraph 36 of that Schedule (contracts relating to holdings...
- 63 For paragraph 38 of that Schedule (investment trusts and venture...

### *Miscellaneous*

- 64 In paragraph 48 of that Schedule (election to treat contract...
- 65 In paragraph 49(4) of that Schedule (partnerships involving companies: provisions...
- 66 For paragraph 50 of that Schedule (partnerships involving companies: application...
- 67 After that paragraph insert— Adjustment on company changing to international...

### *Interpretation*

- 68 Omit paragraph 52 of that Schedule (meaning of “statutory accounts”)....
- 69 In paragraph 54 (1) of that Schedule (interpretation)—

### *Consequential amendment*

- 70 In section 440 of the Taxes Act 1988 (insurance companies:...
- Part 3 — INTANGIBLE FIXED ASSETS

### *Excluded assets: assets in respect of which capital allowances previously made*

- 71 In Part 10 of Schedule 29 to the Finance Act...

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*Adjustment on change of accounting policy*

- 72 In Part 13 of that Schedule (supplementary provisions), after paragraph...

*References to amounts recognised in profit and loss account*

- 73 (1) In Part 15 of that Schedule (interpretation) paragraph 134(a)...

*Consequential amendments*

- 74 In paragraph 15(4) of that Schedule (credits on revaluation of...  
75 In paragraph 20 (1) of that Schedule (realisation of asset...  
76 In paragraph 27 (1) of that Schedule (calculation of tax...  
Part 4 — FOREIGN CURRENCY ACCOUNTING

*Main provisions*

- 77 For sections 92 to 94AB of the Finance Act 1993...

*Consequential amendments*

- 78 (1) Section 730BB of the Taxes Act 1988 (exchange gains...

*Transitional provision*

- 79 Where a company carries forward to its first period of...

SCHEDULE 11 — Conditions for registration for gross payment  
Part 1 — CONDITIONS TO BE SATISFIED BY INDIVIDUALS

*General*

- 1 (1) In the case of an application for an individual...

*The business test*

- 2 The applicant must satisfy the Inland Revenue, by such evidence...

*The turnover test*

- 3 (1) The applicant must satisfy the Inland Revenue, by such...

*The compliance test*

- 4 (1) The applicant must, subject to sub-paragraphs (3) and (4),...  
Part 2 — CONDITIONS TO BE SATISFIED BY FIRMS

*General*

- 5 In the case of an application for an individual or...

*The business test*

- 6 The applicant must satisfy the Inland Revenue, by such evidence...

*The turnover test*

- 7 (1) The partners must satisfy the Inland Revenue, by such...

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*The compliance test*

- 8 (1) Subject to sub-paragraphs (2) and (3), each of the...  
Part 3 — CONDITIONS TO BE SATISFIED BY COMPANIES

*General*

- 9 In the case of an application for a company to...

*The business test*

- 10 The company must satisfy the Inland Revenue, by such evidence...

*The turnover test*

- 11 (1) The company must either— (a) satisfy the Inland Revenue,...

*The compliance test*

- 12 (1) The company must, subject to sub-paragraphs (2) and (3),...  
Part 4 — SUPPLEMENTARY PROVISIONS

*Power to amend conditions for registration for gross payment*

- 13 (1) The Treasury may by order made by statutory instrument...

*“Qualifying period”*

- 14 In this Schedule “the qualifying period” means the period of...  
14A (1) For any part of the qualifying period falling on...

*Regulations under this Schedule*

- 15 Any power under this Schedule to make regulations prescribing the...  
16 Regulations under paragraph 3(1), 7 (1) or 11 (1) prescribing...

SCHEDULE 12 — Construction industry scheme: consequential amendments

*Records to be kept for purposes of returns*

- 1 (1) Section 12B of the Taxes Management Act 1970 (c....

*General rule as to when corporation tax is due and payable*

- 2 (1) Section 59D of the Taxes Management Act 1970 is...

*Claim for repayment in advance of liability being established*

- 3 (1) Section 59DA of the Taxes Management Act 1970 is...

*Priority of claim for tax*

- 4 (1) Section 62 of the Taxes Management Act 1970 is...

*Recovery of tax in Scotland*

- 5 (1) Section 63 of the Taxes Management Act 1970 (c....



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*Priority of claim for tax in Scotland*

6 (1) Section 64 of the Taxes Management Act 1970 is...

*Special returns etc*

7 (1) Section 98 of the Taxes Management Act 1970 is...

*Special penalties in the case of certain returns*

8 (1) Section 98A of the Taxes Management Act 1970 is...

*Sub-contractors in the construction industry*

9 (1) The Taxes Act 1988 is amended as follows.

*Designated international organisations: miscellaneous exemptions*

10 (1) Section 582A of the Taxes Act 1988 is amended...

*Application of Income Tax Acts to public departments etc*

11 (1) Section 829 of the Taxes Act 1988 is amended...

*Provisions for securing payment by company of outstanding tax*

12 (1) Section 130 of the Finance Act 1988 (c. 39)...

*Supplementary provisions relating to contributions: Great Britain*

13 (1) Schedule 1 to the Social Security Contributions and Benefits...

*Supplementary provisions relating to contributions: Northern Ireland*

14 (1) Schedule 1 to the Social Security Contributions and Benefits...

*Transitional provisions concerning construction workers supplied by agencies*

15 (1) Section 56 of the Finance Act 1998 (c. 36)...

*Company tax returns, assessments and related matters*

16 (1) Schedule 18 to the Finance Act 1998 is amended...

*Calculation of deemed employment payment*

17 (1) Section 54 of the Income Tax (Earnings and Pensions)...

SCHEDULE 13 — Childcare and childcare vouchers

*Childcare*

1 In Chapter 11 of Part 4 of the Income Tax...

*Childcare vouchers*

2 (1) Chapter 4 of Part 3 of the Income Tax...

3 In Chapter 6 of Part 4 of the Income Tax...

SCHEDULE 14 — Vans

*Status: Point in time view as at 11/08/2011.*

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- 1 The Income Tax (Earnings and Pensions) Act 2003 (c. 1)...
- 2 (1) Section 114 (cars, vans and related benefits) is amended...
- 3 In section 116(2) (when car is first made available and...
- 4 In section 119 (where alternative to benefit of car offered),...
- 5 For sections 155 to 166 substitute— Cash equivalent of the...
- 6 After section 169 insert— Van available to more than one...
- 7 (1) Section 170 (orders etc.) is amended as follows.
- 8 In section 237 (exemption from Chapter 10 of Part 3...

#### SCHEDULE 15 — Charge to income tax on benefits received by former owner of property

##### *Introductory*

- 1 In this Schedule— “IHTA 1984” means the Inheritance Tax Act...
- 2 (1) For the purposes of this Schedule whether a person...

##### *Land*

- 3 (1) This paragraph applies where— (a) an individual (“the chargeable...
- 4 (1) For any taxable period the chargeable amount in relation...
- 5 (1) For the purposes of paragraph 4 the annual value...

##### *Chattels*

- 6 (1) This paragraph applies where— (a) an individual (“the chargeable...
- 7 (1) For any taxable period the chargeable amount in relation...

##### *Intangible property comprised in settlement where settlor retains an interest*

- 8 (1) This paragraph applies where— (a) the terms of a...
- 9 (1) For any taxable period the chargeable amount in relation...

##### *Excluded transactions*

- 10 (1) For the purposes of paragraphs 3(2) and 6(2) (the...

##### *Exemptions from charge*

- 11 (1) Paragraph 3 (land), paragraph 6 (chattels) and paragraph 8...

##### *Chargeable person resident or domiciled outside the United Kingdom*

- 12 (1) This Schedule does not apply in relation to any...

##### *Exemption in cases where aggregate notional annual values do not exceed £5,000*

- 13 (1) This paragraph applies where, in relation to any person...

##### *Power of Treasury to confer further exemptions by regulations*

- 14 Regulations may confer further exemptions from the charges to income...

##### *Valuation*

- 15 Except as otherwise provided by this Schedule, the value of...

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*Changes in distribution of deceased's estate*

16 Any disposition made by a person (“the chargeable person”) in...

*Guarantees*

17 Where a person (“A”) acts as guarantor in respect of...

*Persons chargeable under different provisions by reference to same property*

18 (1) Where, in any year of assessment, a person (“the...

*Relationship with Part 3 of Income Tax (Earnings and Pensions) Act 2003*

19 Where, in any year of assessment, a person is (apart...

*Regulations*

20 (1) Regulations under this Schedule may— (a) make different provision...

*Election for application of inheritance tax provisions*

21 (1) This paragraph applies where— (a) a person (“the chargeable...

22 (1) This paragraph applies where— (a) a person (“the chargeable...

23 (1) In this paragraph— “election” means an election under paragraph...

SCHEDULE 16 — Relief where national insurance contributions met by employee

*Income tax relief: restricted securities*

1 (1) Chapter 2 of Part 7 of the Income Tax...

*Income tax relief: convertible securities*

2 (1) Chapter 3 of Part 7 of the Income Tax...

*Income tax relief: securities options*

3 (1) Chapter 5 of Part 7 of the Income Tax...

*Consequential amendments: PAYE*

4 (1) Part 11 of the Income Tax (Earnings and Pensions)...

*Consequential amendments: corporation tax relief*

5 (1) Schedule 23 of the Finance Act 2003 (c. 14)...

*Consequential amendments: capital gains tax*

6 (1) Section 119A of the Taxation of Chargeable Gains Act...

*Other consequential amendments*

7 (1) In section 484(7) of the Income Tax (Earnings and...

SCHEDULE 17 — Minor amendments of or connected with the Income Tax (Earnings and Pensions) Act 2003

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*Free or subsidised meals*

- 1 (1) In Chapter 11 of Part 4 of the Income...

*Payments to non-approved pension schemes: exception for employment where earnings not within main charging provisions*

- 2 (1) In Chapter 1 of Part 6 of the Income...

*Time limit for assessment: income received after year for which it is assessable*

- 3 (1) In Part 4 of the Taxes Management Act 1970...

*Computation of profits or gains under Schedule D: delayed payment of remuneration*

- 4 (1) In section 43 of the Finance Act 1989 (c....

*Donations to charity by individuals: application to Crown employment*

- 5 (1) In section 25(2) of the Finance Act 1990 (c....

*Payments on account of income tax*

- 6 (1) Section 108 of the Finance Act 1995 (c. 4)...

*Tax relief for expenditure on R&D or remediation of contaminated land: staff costs*

- 7 (1) In Schedule 20 to the Finance Act 2000 (c....

*Gains and losses of a company from intangible fixed assets: delayed payment of remuneration*

- 8 (1) In Schedule 29 to the Finance Act 2002 (c....

*Minor corrections of the Income Tax (Earnings and Pensions) Act 2003*

- 9 (1) The Income Tax (Earnings and Pensions) Act 2003 (c....

*Other minor corrections*

- 10 (1) In section 59A(8)(b) of the Taxes Management Act 1970...

SCHEDULE 18 — Enterprise investment scheme

Part 1 — INCOME TAX RELIEF

- (1) Section 289 of the Taxes Act 1988 (eligibility for...

Part 2 — DEFERRAL RELIEF

- 12 Schedule 5B to the Taxation of Chargeable Gains Act 1992...

- 13 (1) In paragraph 1(2) (definition of qualifying investment)—

- 14 In paragraph 1A (failure of conditions of application)—

- 15 (1) In paragraph 10 (re-investment in same company, etc)—

- 16 (1) In paragraph 13 (value received by investor) in sub-paragraph...

- 17 (1) In paragraph 14 (value received by other persons) in...

- 18 (1) In paragraph 14A (certain receipts to be disregarded for...

- 19 (1) In paragraph 16 (information)— (a) in sub-paragraph (6), for...

- 20 (1) In paragraph 19 (1) (interpretation)— (a) before the definition...

Part 3 — COMMENCEMENT

- 21 Except where otherwise provided, the amendments made by this Schedule...

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## SCHEDULE 19 — Venture capital trusts

### Part 1 — INCREASE IN RELIEF ON INVESTMENTS AND DISTRIBUTIONS

In paragraph 1(3) of Schedule 15B to the Taxes Act...

### Part 2 — ABOLITION OF DEFERRAL RELIEF

#### *Main amendments*

- 4 Section 151A(3) of the Taxation of Chargeable Gains Act 1992...
- 5 Schedule 5C to that Act (venture capital trusts: deferred charge...

#### *Consequential amendment*

- 6 (1) The Taxation of Chargeable Gains Act 1992 is amended...

#### *Commencement*

- 7 (1) The amendments made by this Part have effect in...  
Part 3 — MISCELLANEOUS  
Schedule 28B to the Taxes Act 1988 (venture capital trusts:...

## SCHEDULE 20 — Corporate venturing scheme

- 1 Schedule 15 to the Finance Act 2000 (c. 17) (the...
- 2 In paragraph 3 (meaning of “the qualification period”)—
- 3 In paragraph 15 (introduction) after paragraph (e) insert—
- 4 In paragraph 20 (the qualifying subsidiaries requirement) for sub-paragraph (2)...
- 5 (1) Paragraph 21 (meaning of “qualifying subsidiary”) is amended as...
- 6 After paragraph 21 insert— The property managing subsidiaries requirement (1) The issuing company is not a qualifying issuing company...
- 7 In paragraph 23 (the trading activities requirement)—
- 8 In paragraph 24 (ceasing to meet trading requirements by reason...
- 9 In paragraph 25 (meaning of “qualifying trade”) in sub-paragraph (3) (b),...
- 10 In paragraph 35 (requirement as to the shares) in sub-paragraph...
- 11 In paragraph 36 (requirement as to money raised)—
- 12 In paragraph 40 (entitlement to claim)— (a) in sub-paragraph (2),...
- 13 In paragraph 102 (minor definitions etc) after sub-paragraph (7) insert —...
- 14 In paragraph 103 (index of defined expressions), after the entry...
- 15 The amendments made by this Schedule have effect in relation...

## SCHEDULE 21 — Chargeable gains: restriction of gifts relief etc

### *Penalties for failure to furnish particulars etc*

- 1 (1) Section 98 of the Taxes Management Act 1970 (c....

### *Charge on settlor with interest in settlement etc: supplementary provisions*

- 2 (1) Section 79 of the Taxation of Chargeable Gains Act...

### *Relief for gifts of business assets*

- 3 (1) Section 165 of the Taxation of Chargeable Gains Act...

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*Gifts relief not to be available on certain transfers to settlor-interested settlements etc*

4 After section 169A of the Taxation of Chargeable Gains Act...

*Gifts on which inheritance tax is chargeable etc*

5 (1) Section 260 of the Taxation of Chargeable Gains Act...

*Payment by instalments of tax on gifts*

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

*Recovery of tax from donee*

7 (1) Section 282 of the Taxation of Chargeable Gains Act...

*Application of taper relief*

8 (1) Schedule A1 to the Taxation of Chargeable Gains Act...

*Relief for gifts of business assets*

9 (1) Schedule 7 to the Taxation of Chargeable Gains Act...

*Commencement*

10 (1) The amendment in paragraph 1(2) of this Schedule has...

SCHEDULE 22 — Chargeable gains: private residence relief

*Relief on disposal of private residence*

1 (1) Section 222 of the Taxation of Chargeable Gains Act...

*Amount of relief*

2 (1) Section 223 of the Taxation of Chargeable Gains Act...

*Amount of relief: further provisions*

3 (1) Section 224 of the Taxation of Chargeable Gains Act...

*Private residence occupied under terms of settlement*

4 (1) Section 225 of the Taxation of Chargeable Gains Act...

*Private residence held by personal representatives*

5 After section 225 of the Taxation of Chargeable Gains Act...

*Private residence relief: cases where relief obtained under section 260*

6 After section 226 of the Taxation of Chargeable Gains Act...

*Commencement*

7 (1) The amendments in paragraphs 1(2) and 4(4)(a) of this...

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*Transitional provision*

8 (1) This paragraph has effect where section 226A of the...

SCHEDULE 23 — Finance leasebacks: transitional provision

*Introduction*

1 (1) Sections 228B to 228E of the Capital Allowances Act...

*Section 228B*

2 (1) This paragraph applies if the pre-commencement rentals are greater...

*Section 228B*

3 (1) This paragraph applies where— (a) the existing leaseback terminates,...

*Section 228C*

4 Section 228C shall not apply where the existing leaseback terminates...

*Section 228C*

5 (1) Section 228C applies subject to this paragraph where—

*Section 228C*

6 (1) This paragraph applies if— (a) the existing leaseback terminates...

*Section 228D*

7 (1) This paragraph applies if the pre-commencement rentals are greater...

*Section 228D*

8 (1) This paragraph applies where— (a) the existing leaseback terminates,...

*Section 228E*

9 Section 228E shall not apply where the existing leaseback terminates...

*Chargeable gains*

10 (1) Sub-paragraph (2) applies where— (a) an existing leaseback is...

*Interpretation*

11 (1) In this Schedule— “existing leaseback” means a leaseback the...

SCHEDULE 24 — Manufactured dividends

*Amendments of sections 231AA, 231AB and 233 of the Taxes Act 1988*

1 (1) In section 231AA of the Taxes Act 1988 (no...

*Status: Point in time view as at 11/08/2011.*

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*Amendments of paragraph 2A of Schedule 23A to the Taxes Act 1988*

- 2 (1) In Schedule 23A to the Taxes Act 1988 (manufactured...

*Amendment of the Taxation of Chargeable Gains Act 1992*

- 3 (1) After section 263C of the Taxation of Chargeable Gains...

SCHEDULE 25 — Lloyd's names: conversion to limited liability underwriting

- 1 The Finance Act 1993 (c. 34) is amended as follows....  
2 After section 179A insert— Conversion to limited liability underwriting  
Schedule 20A to this Act (which makes provision for certain...  
3 After Schedule 20 insert— SCHEDULE 20A Lloyd's underwriters:  
conversion to...

SCHEDULE 26 — Offshore funds

*Computation of UK equivalent profits: creditor relationships*

- 1 (1) In paragraph 5(3) of Schedule 27 to the Taxes...

*Computation of UK equivalent profits: derivative contracts*

- 2 (1) In paragraph 5(3) of Schedule 27 to the Taxes...

*Treatment of umbrella funds and funds comprising more than one class of interest*

- 3 At the beginning of Chapter 5 of Part 17 of...

*Treatment of umbrella funds and funds comprising more than one class of interest*

- 4 (1) Section 757 of that Act (disposal of material interests...

*Treatment of umbrella funds and funds comprising more than one class of interest*

- 5 In section 758 of that Act (offshore funds operating equalisation...

*Treatment of umbrella funds and funds comprising more than one class of interest*

- 6 (1) Section 759 of that Act (material interests in offshore...

*Treatment of umbrella funds and funds comprising more than one class of interest*

- 7 (1) Section 760 of that Act (non-qualifying offshore funds) is...

*Treatment of umbrella funds and funds comprising more than one class of interest*

- 8 (1) Schedule 27 to that Act (distributing funds: supplementary) is...

*Treatment of umbrella funds and funds comprising more than one class of interest*

- 9 In Schedule 28 to that Act (computation of offshore income...

*Treatment of umbrella funds and funds comprising more than one class of interest*

- 10 In section 587B of the Taxes Act 1988 (gifts of...



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*Treatment of umbrella funds and funds comprising more than one class of interest*

11 In section 212 of the Taxation of Chargeable Gains Act...

*Treatment of umbrella funds and funds comprising more than one class of interest*

12 . . . . .

*Investment conditions to be met by funds seeking certification as distributing fund*

13 (1) Section 760 of the Taxes Act 1988 (non-qualifying offshore...

*Investment conditions to be met by funds seeking certification as distributing fund*

14 (1) In Schedule 27 to the Taxes Act 1988 (distributing...

*Exchange of interests of different classes*

15 (1) After section 762 of the Taxes Act 1988 insert—...

*Correction of cross-reference*

16 (1) In section 763(6) of the Taxes Act 1988 (offshore...

*Transitional provision*

17 (1) This paragraph applies for the purposes of determining whether...

SCHEDULE 27 — Meaning of “offshore installation”

Part 1 — THE NEW DEFINITION

- 1 In Part 19 of the Taxes Act 1988 (supplemental provisions),...
- 2 In section 832 (1) of the Taxes Act 1988 (interpretation...
- 3 Subject to the following provisions of this Schedule, paragraphs 1...

Part 2 — MINOR AND CONSEQUENTIAL AMENDMENTS

*The Taxes Act 1988*

4 (1) Chapter 3 of Part 7 of the Taxes Act...

*The Taxes Act 1988*

5 (1) Schedule 28B to the Taxes Act 1988 (venture capital...

*Finance Act 2000 (c. 17)*

6 (1) Schedule 15 to the Finance Act 2000 (the corporate...

*Finance Act 2000 (c. 17)*

7 (1) In Schedule 22 to the Finance Act 2000 (tonnage...

*Capital Allowances Act 2001 (c. 2)*

8 In section 94 of the Capital Allowances Act 2001 (expenditure...

*Capital Allowances Act 2001 (c. 2)*

9 (1) Section 153 of the Capital Allowances Act 2001 (ships...

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*Capital Allowances Act 2001 (c. 2)*

10 In Part 2 of Schedule 1 to the Capital Allowances...

*Capital Allowances Act 2001 (c. 2)*

11 (1) Paragraphs 8 to 10 have effect—

*Income Tax (Earnings and Pensions) Act 2003 (c. 1)*

12 In section 40 of the Income Tax (Earnings and Pensions)...

*Income Tax (Earnings and Pensions) Act 2003 (c. 1)*

13 In section 305 of the Income Tax (Earnings and Pensions)...

*Income Tax (Earnings and Pensions) Act 2003 (c. 1)*

14 For section 385 of the Income Tax (Earnings and Pensions)...

*Income Tax (Earnings and Pensions) Act 2003 (c. 1)*

15 In Part 2 of Schedule 1 to the Income Tax...

*Income Tax (Earnings and Pensions) Act 2003 (c. 1)*

16 Paragraphs 12 to 15 have effect for the year 2004-05...

*Income Tax (Earnings and Pensions) Act 2003 (c. 1)*

17 (1) Schedule 5 to the Income Tax (Earnings and Pensions)...

SCHEDULE 28 — Registered pension schemes: authorised pensions—  
supplementary

Part 1 — PENSION RULES

*Defined benefits and money purchase arrangements*

*Ill-health condition*

1 For the purposes of this Part the ill-health condition is...

*Scheme pension*

2 (1) In the case of a pension scheme with fewer...  
2A (1) Where this paragraph applies in relation to a pension...

*Money purchase arrangements*

*Lifetime annuity*

3 (1) For the purposes of this Part an annuity payable...

*Drawdown pension*

4 “Drawdown pension” means— (a) a short-term annuity, or  
5 “Alternatively secured pension ” means income withdrawal.

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*Short-term annuity*

6 (1) For the purposes of this Part an annuity payable...

*Income withdrawal*

7 Income withdrawal” means an amount (other than an annuity) which...

*Member's drawdown pension fund*

8 (1) For the purposes of this Part the member's drawdown...

*Drawdown pension year and basis amount for drawdown pension year*

9 (1) “Drawdown pension year” means— (a) the period of 12...

*Unsecured pension year and basis amount for unsecured pension year*

- 10 (A1) This paragraph applies in relation to drawdown pension years...  
10A (1) This paragraph applies in relation to drawdown pension years...  
10B (1) This paragraph applies if the member has reached the...

*Member's alternatively secured pension fund*

11 (1) For the purposes of this Part the member's alternatively...

*Alternatively secured pension year and basis amount for alternatively secured pension year*

12 (1) “Alternatively secured pension year” means— (a) the period of...

*Alternatively secured pension year and basis amount for alternatively secured pension year*

13 (1) For the first alternatively secured pension year, the basis...

*Relevant annuity*

14 (1) A “relevant annuity” is an annuity of a description prescribed...

*Minimum income requirement*

- 14A (1) A “relevant annuity” is an annuity of a...  
14B (1) The Treasury may by order amend paragraph 14A(2) so...

*The relevant day*

14C “The relevant day” means— (a) in a case where subsection...

*Relevant contributions*

14D “Relevant contributions” means— (a) relievable pension contributions paid by or...

*Valid and accepted declarations*

14E (1) A declaration is “valid” if it complies with such...  
Part 2 — PENSION DEATH BENEFIT RULES

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### *Defined benefits and money purchase arrangements*

#### *Meaning of “dependant”*

- 15 (1) A person who was married to , or a...

#### *Dependants' scheme pension*

- 16 (1) . . . . .  
16A (1) Paragraphs 16B and 16C apply where—  
16B (1) Where a pension is payable under the pension scheme...  
16C (1) Where a pension is payable under the pension scheme...

#### *Money purchase arrangements*

#### *Dependants' annuity*

- 17 (1) For the purposes of this Part an annuity payable...

#### *Dependants' drawdown pension*

- 18 “Dependants' drawdown pension” means— (a) a dependants' short-term annuity, or...  
19 “Dependants' alternatively secured pension ” means dependants' income withdrawal....

#### *Dependants' short-term annuity*

- 20 (1) For the purposes of this Part an annuity payable...

#### *Dependants' income withdrawal*

- 21 Dependants' income withdrawal” means an amount (other than an annuity)...

#### *Dependant's drawdown pension fund*

- 22 (1) For the purposes of this Part a dependant's drawdown...

#### *Drawdown pension year and basis amount for drawdown pension year*

- 23 (1) “Drawdown pension year” means— (a) the period of 12...  
24 (A1) This paragraph applies in relation to drawdown pension years...  
24A (1) This paragraph applies in relation to drawdown pension years...  
24B (1) This paragraph applies if the dependant has reached the...

#### *Minimum income requirement*

- 24C (1) The dependant satisfies the minimum income requirement at any...  
24D (1) The Treasury may by order amend paragraph 24C(2) so...

#### *The relevant day*

- 24E “The relevant day” means— (a) in a case where subsection...

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*Relevant contributions*

- 24F “Relevant contributions” means— (a) relievable pension contributions paid by or...

*Valid and accepted declarations*

- 24G (1) A declaration is “valid” if it complies with such...

*Dependant’s alternatively secured pension fund*

- 25 (1) For the purposes of this Part a dependant’s alternatively...

*Alternatively secured pension year and basis amount for alternatively secured pension year*

- 26 (1) “Alternatively secured pension year” means— (a) the period of...  
27 (1) For the first alternatively secured pension year, the basis...

SCHEDULE 29 — Registered pension schemes: authorised lump sums—  
supplementary  
Part 1 — LUMP SUM RULE

*Pension commencement lump sum*

- 1 (1) For the purposes of this Part a lump sum...  
2 (1) If sub-paragraph (2) applies, the permitted maximum is nil...  
3 (1) Where the member becomes entitled to income withdrawal, the...  
3A (1) Where this paragraph applies in relation to a pension...

*Serious ill-health lump sum*

- 4 (1) For the purposes of this Part a lump sum...

*Short service refund lump sum*

- 5 (1) For the purposes of this Part a lump sum...

*Refund of excess contributions lump sum*

- 6 (1) A lump sum is a refund of excess contributions...

*Trivial commutation lump sum*

- 7 (1) For the purposes of this Part a lump sum...  
8 (1) The value of the member’s relevant crystallised pension rights...  
9 (1) The value of the member’s uncrystallised rights on the...

*Winding-up lump sum*

- 10 (1) For the purposes of this Part a lump sum...

*Lifetime allowance excess lump sum*

- 11 For the purposes of this Part a lump sum is...

*Interpretation of Part 1*

- 12 (1) Expressions used in this Part of this Schedule and...  
Part 2 — LUMP SUM DEATH BENEFIT RULE

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*Defined benefits arrangements*

*Defined benefits lump sum death benefit*

- 13 (1) For the purposes of this Part a lump sum...

*Pension protection lump sum death benefit*

- 14 (1) For the purposes of this Part a lump sum...

*Money purchase arrangements*

*Uncrystallised funds lump sum death benefit*

- 15 (1) For the purposes of this Part a lump sum...

*Annuity protection lump sum death benefit*

- 16 (1) For the purposes of this Part a lump sum...

*Drawdown pension fund lump sum death benefit*

- 17 (1) For the purposes of this Part a lump sum...

*Charity lump sum death benefit*

- 18 (1) A lump sum death benefit is a charity lump...

*Transfer lump sum death benefit*

- 19 (1) For the purposes of this Part a lump sum...

*Defined benefits and money purchase arrangements*

*Trivial commutation lump sum death benefit*

- 20 (1) A lump sum death benefit is a trivial commutation...

*Winding-up lump sum death benefit*

- 21 (1) For the purposes of this Part a lump sum...

*Interpretation*

*Interpretation of Part 2*

- 22 (1) Expressions used in this Part of this Schedule and...

SCHEDULE 29A — Taxable property held by investment-regulated pension schemes  
Part 1 — INVESTMENT-REGULATED PENSION SCHEMES

*Schemes other than occupational pension schemes*

- 1 (1) For the purposes of the taxable property provisions a...

*Occupational pension schemes*

- 2 (1) For the purposes of the taxable property provisions a...

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*Separate self-controlled section*

- 3 (1) This paragraph applies in the case of an arrangement...

*Related persons*

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

*Arrangements*

- 5 Where sums or assets held for the purposes of an...  
Part 2 — TAXABLE PROPERTY

*Taxable property*

- 6 For the purposes of the taxable property provisions property is...

*Residential property*

- 7 (1) Subject as follows, for the purposes of the taxable...  
8 (1) For the purposes of the taxable property provisions a...  
9 (1) The Treasury may by order amend this Part of...  
10 (1) Residential property is not taxable property in relation to...

*Tangible moveable property*

- 11 (1) The Treasury may by order provide that, for the...  
Part 3 — ACQUISITION AND HOLDING OF TAXABLE PROPERTY

*Acquisition*

- 12 (1) For the purposes of the taxable property provisions an...

*Holding*

- 13 (1) For the purposes of the taxable property provisions an...

*Direct holding*

- 14 (1) For the purposes of the taxable property provisions a...

*Exception to direct holding*

- 15 (1) A person does not hold an interest in taxable...

*Indirect holding*

- 16 (1) For the purposes of the taxable property provisions a...  
17 (1) For the purposes of paragraph 16 a person holds...  
18 (1) For the purposes of paragraph 16 a person holds...  
19 (1) For the purposes of paragraph 16 a pension scheme...

*Exceptions to indirect holding*

- 20 (1) A pension scheme does not hold an interest in...  
21 (1) This paragraph applies to a vehicle in which a...  
22 (1) This paragraph applies to a vehicle in which a...  
23 (1) This paragraph applies to a vehicle in which a...  
24 (1) For the purposes of paragraphs 22 and 23 this...

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- 25 (1) This paragraph contains provisions supplementary to paragraph 24.  
26 (1) This paragraph applies to a vehicle in which a...

*Deemed acquisition*

- 27 Where— (a) an investment-regulated pension scheme holds an interest in...  
28 (1) Subject to paragraph 29, this paragraph applies where—  
29 (1) Where there is an increase in the extent of...

*Associated persons*

- 30 (1) For the purposes of this Part of this Schedule...  
Part 4 — AMOUNT AND TIMING OF UNAUTHORISED PAYMENT

*Introduction*

- 31 (1) This Part of this Schedule has effect for determining—...

*Acquisition: basic rules*

- 32 (1) This paragraph applies to a case within subsection (1)...

*Acquisition: further provisions*

- 33 (1) This paragraph applies where— (a) an investment-regulated pension scheme...  
34 (1) This paragraph applies where— (a) an investment-regulated pension scheme...  
35 (1) This paragraph applies where— (a) an investment-regulated pension scheme...  
36 (1) The Treasury may by regulations make provision with respect...

*Post-acquisition unauthorised payments*

- 37 (1) The Treasury may by regulations make provision for an...

*Improvement of taxable property*

- 38 (1) This paragraph applies to a case within subsection (2)...

*Conversion or adaptation as residential property*

- 39 (1) This paragraph applies to a case within subsection (3)...  
40 (1) This paragraph applies to a case within subsection (3)...

*Apportionment to pension scheme*

- 41 (1) This paragraph applies for determining— (a) whether the amount...  
42 (1) References in this Schedule to the extent of an...  
43 (1) For the purposes of this Schedule, and except in...

*Deemed acquisition: adjustment*

- 44 (1) This paragraph applies where an investment-regulated pension scheme is...



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*Apportionment to member*

45 (1) This paragraph has effect for determining—

SCHEDULE 30 — Registered pension schemes: employer loans

*Definitions*

*Charge of adequate value*

1 (1) A charge is of adequate value if it meets...

*Loan repayment date*

2 (1) “Loan repayment date” means the date by which the...

*Loan year*

3 (1) “Loan year” means— (a) the period of 12 months...

*Required amount*

4 “The required amount”, in relation to a period beginning with...

*Amount of unauthorised payment*

*Loan does not comply with section 179(1) when made*

5 (1) If a loan does not comply with section 179...

*Loan ceases to be secured by charge of adequate value*

6 If at any time after a loan is made the...

*Further reduction in value of charge which is not of adequate value*

7 (1) If at any time after a loan is made—...

*Loan ceases to comply with repayment terms*

8 (1) If at any time after a loan is made—...

*Increase in extent to which loan does not comply with repayment terms*

9 (1) If at any time after a loan is made—...

*Prevention of double charging*

10 (1) This paragraph applies if on any date there is...

*Total unauthorised payments not to exceed amount of loan*

11 If the aggregate amount of the unauthorised payments in relation...

*Amount 1*

12 (1) Amount 1 arises if paragraph (a) of section 179...

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*Amount 2*

- 13 (1) Amount 2 arises if paragraph (b) of section 179...

*Amount A*

- 14 (1) Amount A arises if paragraph (a) of section 179(2)...

*Amount B*

- 15 (1) Amount B arises if paragraph (b) of section 179(2)...

*Amount C*

- 16 (1) Amount C arises if paragraph (c) of section 179(2)...

SCHEDULE 31 — Taxation of benefits under registered pension schemes

- 1 Part 9 of ITEPA 2003 (pension income) is amended as...
- 2 In section 565 (structure of Part 9), for “Chapters 16...
- 3 (1) Section 566(4) (nature of charge to tax on pension...
- 4 In section 567(4)(a) (amount charged to tax), for “15” substitute...
- 5 In section 568 (person liable to tax), for “15” substitute...
- 6 After Chapter 5 insert— Chapter 5A PENSIONS UNDER REGISTERED PENSION...
- 7 Omit Chapters 6, 7, 8 and 9 (pensions under approved...
- 8 (1) Section 610 (annuities under sponsored superannuation schemes) is amended...
- 9 In section 611(3) (annuities in recognition of another’s service), for...
- 10 Omit Chapter 13 (return of surplus additional voluntary contributions under...
- 11 After Chapter 15 insert— CHAPTER 15A LUMP SUMS UNDER REGISTERED...
- 12 Omit Chapter 16 (lump sums).
- 13 In section 644(2) (pensions to which section 580 or 590...
- 14 (1) Section 683 of ITEPA 2003 (PAYE income) is amended...
- 15 In Part 2 of Schedule 1 to ITEPA 2003 (index...

SCHEDULE 32 — Registered pension schemes: benefit crystallisation events— supplementary

*General: meaning of “the relevant pension schemes”*

- 1 For the purposes of the benefit crystallisation events “the relevant...

*Post-75 events not generally benefit crystallisation events*

- 2 The only sort of event that constitutes a benefit crystallisation...

*Benefit crystallisation events 1, 2 and 4: prevention of overlap*

- 3 (1) This paragraph applies for the purposes of benefit crystallisation...

*Benefit crystallisation events 1, 2 and 4: prevention of overlap*

- 4 (1) This paragraph applies for the purposes of benefit crystallisation...

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*Benefit crystallisation events 1 and 5: hybrid arrangements*

- 5 (1) This paragraph applies where— (a) immediately before the individual...

*Benefit crystallisation events 2, 3 and 5: meaning of “RVF”*

- 6 For the purposes of benefit crystallisation events 2, 3 and...

*Benefit crystallisation events 2 and 4: early lifetime annuities*

- 7 (1) This paragraph has effect if— (a) the individual becomes...

*Benefit crystallisation event 2: early pensions*

- 8 For the purposes of benefit crystallisation event 2 if—

*Benefit crystallisation event 2: meaning of “P”*

- 9 (1) For the purposes of benefit crystallisation event 2 “P”...

*Benefit crystallisation event 3: disregarding abatement*

- 9A For the purposes of benefit crystallisation event 3, any abatement...

*Benefit crystallisation event 3: excepted circumstances*

- 10 (1) For the purposes of benefit crystallisation event 3 “excepted...”

*Benefit crystallisation event 3: threshold annual rate*

- 10A (1) This paragraph applies for the purposes of benefit crystallisation...

*Benefit crystallisation event 3: permitted margin*

- 11 (1) This paragraph applies for the purposes of benefit crystallisation...

*Benefit crystallisation event 3: permitted margin*

- 12 (1) This paragraph applies for the purposes of benefit crystallisation...

*Benefit crystallisation event 3: meaning of “XP”*

- 13 (1) For the purposes of benefit crystallisation event 3 “XP”...

*Benefit crystallisation event 5: meaning of “DP” and “DSLS”*

- 14 (1) For the purposes of benefit crystallisation event 5 “DP”...

*Benefit crystallisation event 5B: meaning of “remaining unused funds”*

- 14A For the purposes of benefit crystallisation event 5B “remaining...”

*Benefit crystallisation event 6: meaning of “relevant lump sum”*

- 15 For the purposes of benefit crystallisation event 6 a lump...

*Benefit crystallisation event 6: prevention of overlap with other events*

- 15A Benefit crystallisation event 6 does not apply in relation to...

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*Benefit crystallisation event 7: meaning of “relevant lump sum death benefit”*

16 For the purposes of benefit crystallisation event 7 a lump...

*Benefit crystallisation event 8: prevention of overlap with other events*

17 (1) This paragraph applies for the purposes of benefit crystallisation...

SCHEDULE 33 — Overseas pension schemes: migrant member relief

*Relief for members' etc. contributions*

1 (1) An individual who is a relevant migrant member of...

*Relief for employers' contributions*

2 (1) Subsections (2) to (5) of section 196 (relief for...  
3 In ITEPA 2003, after section 308 insert— Exemption of contributions...

*Meaning of “relevant migrant member”*

4 (1) For the purposes of this Schedule an individual who...

*Meaning of “qualifying” overseas pension scheme*

5 (1) For the purposes of this Schedule an overseas pension...  
6 (1) This paragraph applies where an overseas pension scheme is...

SCHEDULE 34 — Non-UK schemes: application of certain charges

*Member payment charges*

1 (1) For the purposes of the member payment charges the...  
2 The member payment provisions do not apply in relation to...  
3 (1) The member payment provisions do not apply in relation...  
4 (1) The member payment provisions do not apply in relation...  
4A (1) For the purposes of determining whether a person meets...  
5 Sections 205 to 206 (short service refund lump sum charge,...  
6 (1) The amount of any liability to tax imposed on...  
7 (1) The member payment provisions apply with respect to a...

*Unauthorised payment charge: alternatively secured pension etc*

7ZA The Commissioners for Her Majesty’s Revenue and Customs may by...

*Unauthorised payment charge: taxable property*

7A (1) The Commissioners for Her Majesty's Revenue and Customs may...

...

7B .....

*Annual allowance charge*

8 (1) The provisions of this Part relating to the annual...  
9 The annual allowance provisions apply by virtue of paragraph 8...  
9A (1) This paragraph applies where an individual—

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- 9B (1) This paragraph applies where an individual—
- 10 (1) Sections 230 (1) and 234 (1) (cash balance and...
- 11 (1) Section 233 (1) (other money purchase arrangements) applies by...
- 12 (1) The annual allowance provisions apply by virtue of paragraph...

*Lifetime allowance charge*

- 13 (1) The provisions of this Part relating to the lifetime...
- 14 (1) This paragraph applies in relation to the amount crystallised...
- 15 (1) An individual who is a relieved member of a...
- 16 (1) This paragraph applies on the occurrence of a transfer...
- 17 Section 217 (persons liable to charge) applies with respect to...
- 18 (1) This paragraph applies where sums and assets held for...
- 19 (1) The provisions of this Part of this Act relating...

*Meaning of “double tax arrangements”*

- 20 In this Schedule “double tax arrangements” means arrangements having effect...

SCHEDULE 35 — Pension schemes etc: minor and consequential amendments

*Taxes Management Act 1970 (c. 9)*

- 1 In section 9(1A) of the Taxes Management Act 1970 (tax...

*Income and Corporation Taxes Act 1988 (c. 1)*

- 2 The Income and Corporation Taxes Act 1988 (c. 1) is...
- 3 In section 21A(2) (Schedule A: computation of amount chargeable), insert...
- 4 In section 56(3)(b) (transfers in deposits and debts: exemption for...
- 5 .....
- 6 In section 129B(2) (stock lending fees), for “sections 592(2), 608(2) (a),...
- 7 .....
- 8 .....
- 9 In section 266 (1) (life assurance premiums), for “sections 274...
- 10 (1) Section 266A (life assurance premiums paid by employer) is...
- 11 In section 268(7)(b) (early conversion or surrender of rights: life...
- 12 .....
- 13 .....
- 14 .....
- 15 .....
- 16 .....
- 17 .....
- 18 .....
- 19 .....
- 20 For section 431B (life assurance: meaning of “pension business”) substitute—...
- 21 In section 464(5) (policies and contracts to be disregarded in...
- 22 (1) Section 466 (interpretation of Chapter 2 of Part 12)...
- 23 .....
- 24 .....
- 25 .....

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- 26 In section 613(4) (parliamentary pension funds)— (a) omit “respective” and...
- 27 .....
- 28 .....
- 29 .....
- 30 .....
- 31 .....
- 32 .....
- 33 In section 824(9) (repayment supplements), after “settlement” insert “, scheme...”
- 34 .....
- 35 .....
- 36 .....

*Finance Act 1990 (c. 29)*

- 37 .....

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

- 38 The Taxation of Chargeable Gains Act 1992 is amended as...
- 39 In section 13(10B)(b) (attribution of gains to members of non-resident...
- 40 For sections 239A and 239B (cessation of approval of retirement...
- 41 In section 288 (1) (interpretation), after the definition of “recognised...
- 42 (1) Paragraph 2 of Schedule 1 (application of exempt amount...

*Finance Act 1996 (c. 8)*

- 43 The Finance Act 1996 is amended as follows.
- 44 In section 148 (mis-sold personal pensions), after subsection (6) insert —...
- 45 .....

*Finance Act 1999 (c. 16)*

- 46 (1) Paragraph 6A of Schedule 19 to the Finance Act...

*Capital Allowances Act 2001 (c. 2)*

- 47 The Capital Allowances Act 2001 is amended as follows.
- 48 In section 4(2A) (expenditure and sums that are not capital...
- 49 .....

*Finance Act 2002 (c. 23)*

- 50 .....
- 51 .....
- 52 .....
- 53 .....

*Income Tax (Earnings and Pensions) Act 2003 (c. 1)*

- 54 The Income Tax (Earnings and Pensions) Act 2003 is amended...
- 55 In section 23(3) (calculation of “chargeable overseas earnings”), in Step...
- 56 In section 54 (1) (calculation of deemed employment payment), in...

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- 57 In section 56(8) (application of Income Tax Acts in relation...
- 58 In section 218(4) (“lower-paid employment”: deductions to be subtracted), for...
- 59 In section 315(5) (limited exemption for expenses connected with certain...
- 60 (1) Section 327 (deductions from earnings: general) is amended as...
- 61 In section 381 (deductions from seafarers’ earnings: taking account of...
- 62 (1) Section 407 (payments and benefits on termination of employment:...
- 63 (1) Section 408 (payments and benefits on termination of employment:...
- 64 In section 563 (former employees: deductions for liabilities), in the...
- 65 (1) Schedule 1 (abbreviations and defined expressions) is amended as...

SCHEDULE 36 — Pension schemes etc: transitional provisions and savings  
Part 1 — PRE-COMMENCEMENT PENSION SCHEMES

*Deemed registration of existing schemes*

- 1 (1) Any pension scheme which, immediately before 6th April 2006,...

*Opting out of deemed registration*

- 2 (1) Paragraph 1 (1) does not apply to a pension...

*Power to modify rules of existing schemes*

- 3 (1) The Board of Inland Revenue may by regulations make...

*Scheme administrator*

- 4 (1) Where under paragraph 1 (1) a pension scheme is...

*Post-commencement withdrawal of approval*

- 5 (1) The repeal by this Act of—

*Pre-commencement liabilities of scheme administrator*

- 6 Any liabilities or obligations of— (a) the administrator of a...

Part 2 — PRE-COMMENCEMENT RIGHTS: LIFETIME ALLOWANCE CHARGE

*“Primary protection”*

- 7 (1) This paragraph makes provision for the operation of a...
- 8 (1) The value of the individual’s relevant uncrystallised pension rights...
- 9 (1) This paragraph applies if any of the individual’s uncrystallised...
- 10 (1) The value of the individual’s relevant crystallised pension rights...
- 11 (1) This paragraph applies where— (a) paragraph 7 makes provision...
- 11A (1) This paragraph applies where— (a) paragraph 7 makes provision...
- 11B (1) This paragraph and paragraphs 11C and 11D specify the...
- 11C (1) In arriving at the aggregate mentioned in paragraph 11B(2)...
- 11D (1) Sub-paragraph (2) applies where any of the lump sum...

*“Enhanced protection”*

- 12 (1) This paragraph applies on and after 6th April 2006...

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- 13 Relevant benefit accrual occurs in relation to an individual under...
- 14 (1) For the purposes of paragraph 13(a) a relevant contribution...
- 15 (1) For the purposes of paragraph 13(b) “the relevant crystallised...
- 15A (1) This paragraph applies where— (a) a person is paid...
- 16 (1) This paragraph specifies the post-commencement earnings limit if the...
- 17 (1) This paragraph specifies the post-commencement earnings limit in any...
- 17A (1) There is an impermissible transfer into a relevant existing...

*Pre-commencement pension credits*

- 18 (1) This paragraph makes provision for the operation of a...

*Individuals permitted to take pension before normal minimum pension age*

- 19 (1) This paragraph applies where a benefit crystallisation event occurs...

*Pre-commencement pensions*

- 20 (1) This paragraph makes provision about an individual who, on...  
Part 3 — PRE-COMMENCEMENT BENEFIT RIGHTS

*Rights to take benefit before normal minimum pension age*

- 21 (1) If paragraph 22 or 23 applies in relation to...
- 22 (1) This paragraph applies in relation to a registered pension...
- 23 (1) This paragraph applies in relation to a registered pension...
- 23A (1) Where— (a) paragraph 19 applies to a benefit crystallisation...

*Lump sum rights exceeding £375,000: primary and enhanced protection*

- 24 (1) If the lump sum condition and the registration condition...
- 25 (1) The amount of an individual’s total lump sum rights...
- 26 (1) This paragraph applies if any of the individual’s uncrystallised...
- 27 (1) If (and for so long as) paragraph 12 (enhanced...
- 28 (1) If paragraph 12 (enhanced protection) does not apply in...
- 29 (1) If (and for so long as) paragraph 12 (enhanced...
- 30 (1) Any part of a lump sum falling within paragraph...

*Entitlement to lump sums exceeding 25% of uncrystallised rights*

- 31 (1) If the pension condition is met in relation to...
- 32 (1) Subject to sub-paragraph (2), the value of the individual’s...
- 33 (1) Subject to sub-paragraph (2), the value of the individual’s...
- 34 (1) Schedule 29 applies with the following modifications.

*Winding-up lump sums paid by former approved superannuation funds*

- 35 (1) For the tax year 2006-07, Schedule 29 (authorised lump...

*Right to payment of lump sum death benefit*

- 36 (1) This paragraph applies to a member of a registered...  
Part 4 — OTHER PROVISIONS



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*Pre-commencement ill-health insurance contracts*

- 37 (1) Payments under protected ill-health insurance contracts are not unauthorised...

*Pre-commencement holdings of taxable property*

- 37A (1) This paragraph applies in relation to an investment-regulated pension...
- 37B (1) Paragraph 37A ceases to apply to an investment-regulated pension...
- 37C (1) This paragraph applies where— (a) on 6th April 2006...
- 37D (1) This paragraph applies where— (a) sub-paragraph (1) or (2)...
- 37E (1) This paragraph applies where— (a) paragraph 37A would otherwise...

*Post-commencement acquisitions of taxable property*

- 37F (1) This paragraph applies where on or after 6th April...
- 37G (1) Where Condition A or B is met in relation...
- 37H (1) This paragraph applies where on or after 6th April...
- 37I (1) Where Condition A, B or C is met in...

*Pre-commencement loans to sponsoring employers*

- 38 (1) This paragraph applies to a loan if—

*Retirement annuity contracts: carry-back of pre-commencement contributions*

- 39 The repeal by this Act of section 619(4) of ICTA...

*Members' contributions to pre-commencement retirement annuity contracts*

- 40 (1) Relief in respect of contributions made by a member...

*Employers' contributions relieved before 6th April 2006*

- 41 To the extent that any contribution paid by an employer...

*Spreading of employer's contributions*

- 42 The power of the Board of Inland Revenue under section...

*Taxation of annuities paid under pre-commencement retirement annuity contracts*

- 43 (1) Chapter 9 of Part 9 of ITEPA 2003 (taxation...

*Taxation of pensions accruing (but not taxed) pre-commencement and paid or received post-commencement*

- 44 (1) If an amount which accrued but was not paid...

*Pensions taxed pre-commencement but accruing post-commencement*

- 45 (1) If an amount which was paid but had not...

*Application of PAYE to certain annuities in payment at commencement*

- 46 (1) Taxable pension income for the tax year 2006-07 or...

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*Authorised surplus payments charge: pre-19th March 1986 winding-up*

47 Section 207 (authorised surplus payments charge) does not apply to...

*Annual allowance charge: post-commencement contributions to discharge pre-commencement unfunded promises*

48 (1) This paragraph applies where, during the period beginning with...

...

49 (1) This paragraph applies if notice of intention to rely...

*Saving of sections 605 and 651A of ICTA*

50 The repeal by this Act of sections 605 and 651A...

*Individuals with pre-commencement entitlement to corresponding relief*

51 (1) This paragraph applies where the Board of Inland Revenue...

*Continuing operation of section 392 of ITEPA 2003*

52 Section 392 of ITEPA 2003 (non-approved schemes: relief where no...

*Benefits taxable under Chapter 2 of Part 6 of ITEPA 2003: contributions taxed pre-commencement*

53 (1) Paragraph 54 or 55 has effect where—

54 (1) This paragraph has effect if— (a) all of the...

55 (1) This paragraph has effect if paragraph 54 does not....

*Inheritance tax*

56 (1) This paragraph applies in relation to a fund or...

57 (1) The percentage of the assets of the fund or...

58 (1) Section 151 of the Inheritance Tax Act 1984 (treatment...

SCHEDULE 37 — Oil taxation: tax-exempt tariffing receipts and assets producing them

Part 1 — AMENDMENTS OF THE OIL TAXATION ACT 1983 RELATING TO ALLOWABLE EXPENDITURE AND DISPOSAL RECEIPTS

*Introductory*

1 The Oil Taxation Act 1983 (c. 56) is amended in...

*Expenditure incurred on long-term assets other than non-dedicated mobile assets*

2 (1) Section 3 (expenditure incurred on long-term assets other than...

*Exclusion from s.3(4) of expenditure on assets giving rise to tax-exempt tariffing receipts*

3 After section 3 insert— Exclusion from section 3(4) of expenditure...

*Expenditure related to exempt gas: asset use giving rise to tax-exempt tariffing receipts*

4 (1) Section 4 (expenditure related to exempt gas and deballasting)...

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*Disposal receipts from assets used in a way that gives rise to tax-exempt tariffing receipts*

5 (1) Section 7 (chargeable receipts from disposals) is amended as...

*Assets no longer in use for the principal field*

6 (1) In Schedule 1 (allowable expenditure) in Part 1 (extensions...

*Brought-in assets*

7 (1) In Part 2 of Schedule 1, paragraph 7 is...

*Subsequent use of new asset otherwise than in connection with a taxable field*

8 (1) In Part 2 of Schedule 1, paragraph 8 is...

Part 2 — TRANSITIONAL PROVISION

*Expenditure incurred in transitional period: restriction of tax-exempt tariffing receipts*

9 (1) In this paragraph— “claim period” has the same meaning...

Part 3 — AMENDMENTS OF THE TAXES ACT 1988

*Introductory*

10 The Taxes Act 1988 is amended in accordance with the...

*Section 496: treatment of tax-exempt tariffing receipts for income and corporation tax*

11 (1) Section 496 (tariff receipts) is amended as follows.

Part 4 — AMENDMENTS OF OTHER ENACTMENTS

*FINANCE ACT 1999*

*Qualifying assets*

*Qualifying assets*

12 (1) Section 98 of the Finance Act 1999 (c. 16)...

SCHEDULE 38 — Schedule to be inserted as Schedule 19B to the Taxes Act 1988

The following is the Schedule to be inserted as Schedule...

SCHEDULE 39 — Stamp duty land tax and stamp duty

Part 1 — AMENDMENTS TO PART 4 OF THE FINANCE ACT 2003: GENERAL

*Introduction*

1 Part 4 of the Finance Act 2003 (c. 14) (stamp...

*Variation of lease*

2 In section 43 (land transactions)— (a) in paragraph (c) of...

*Agreement for lease*

3 In section 44 (contract and conveyance), after subsection (9) insert—...

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*Contract providing for conveyance to third party*

- 4 (1) After section 44 insert— Contract providing for conveyance to...

*Contract and conveyance: effect of transfer of rights*

- 5 (1) Section 45 (contract and conveyance: effect of transfer of...

*Relief for sale and leaseback arrangements*

- 6 (1) Section 57A (sale and leaseback arrangements) (inserted by the...

*Registration of land transactions*

- 7 In section 79 (registration of land transactions etc), in subsection...

*“Effective date” of a transaction*

- 8 In section 119 (meaning of “effective date” of a transaction),...

*Chargeable consideration*

- 9 (1) Schedule 4 (chargeable consideration) is amended as follows.

*Provisions relating to leases*

- 10 In Schedule 5 (amount of tax chargeable: rent), after paragraph...

*Provisions relating to leases*

- 11 (1) Schedule 17A (further provisions relating to leases) (inserted by...

*Transfer of rights after 10th July 2003 relating  
to earlier contract: applicability of SDLT regime*

- 12 In Schedule 19 (commencement and transitional provisions), in paragraph 3...

*Commencement*

- 13 (1) Paragraph 4, and paragraphs 7 and 8 so far...  
Part 2 — RE-ENACTMENT, WITH CHANGES, OF AMENDMENTS MADE BY  
SECTION 109 REGULATIONS

*Introduction and revocation*

- 14 (1) This Part of this Schedule contains amendments to Parts...

*Meaning of taking possession*

- 15 (1) Section 44 (contract and conveyance) is amended as follows....

*Relief for sale and leaseback arrangements*

- 16 After section 57 (disadvantaged areas relief) insert— Sale and leaseback...

*Relief for certain acquisitions of residential property*

- 17 (1) For sections 58 and 59 (relief for certain exchanges...

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*Initial transfer of assets to trustees of unit trust scheme*

18 After section 64 insert— Initial transfer of assets to trustees...

*Return or further return in consequence of later linked transaction*

19 (1) After section 81 (further return where relief withdrawn) insert—...

*Declaration by person authorised to act on behalf of purchaser*

20 After section 81A (inserted by paragraph 19 above) insert—  
Declaration...

*Crown application*

21 (1) Section 107 (Crown application) is amended as follows.

*Further provision relating to leases*

22 (1) For section 120 (meaning of “lease” and other supplementary...

*Abolition of stamp duty: application to duplicates and counterparts*

23 In section 125(5) (abolition of stamp duty except on instruments...

*Application of transitional provisions to certain contracts*

24 In Schedule 19 (commencement and transitional provisions), after paragraph 4...

*Stamping of contract or agreement where transaction on completion or grant of lease subject to stamp duty land tax*

25 (1) In Schedule 19 (commencement and transitional provisions), after paragraph...

*Commencement*

26 This Part of this Schedule applies in relation to any...

SCHEDULE 40 — Stamp duty land tax: claims not included in returns  
The following is the Schedule inserted after Schedule 11 to...

SCHEDULE 41 — Stamp duty land tax: application to certain partnership transactions

- 1 In Schedule 15 to the Finance Act 2003 (c. 14)...
- 2 The following amendments are consequential on the amendment made by...
- 3 (1) The preceding provisions of this Schedule have effect in...

SCHEDULE 42 — Repeals

- Part 1 — EXCISE DUTIES
- Part 2 — INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX
- Part 3 — PENSION SCHEMES ETC
- Part 4 — OTHER TAXES
- Part 5 — MISCELLANEOUS MATTERS

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