

Status: Point in time view as at 10/06/2021.

Changes to legislation: Income Tax Act 2007 is up to date with all changes known to be in force on or before 23 June 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. (See end of Document for details)

SCHEDULES

SCHEDULE 1

Section 1027

MINOR AND CONSEQUENTIAL AMENDMENTS

PART 1

INCOME AND CORPORATION TAXES ACT 1988

- 1 The Income and Corporation Taxes Act 1988 (c. 1) is amended as follows.
- 2 Omit sections 1 to 2 (the charge to income tax, application of lower rate to income from savings and distributions, rates of tax applicable to distribution income etc, and fractions of a pound and yearly assessments).
- 3 Omit section 3 (certain income charged at basic rate).
- 4 Omit section 4 (construction of references in Income Tax Acts to deduction of tax).
- 5 Omit section 7(1) (deduction of income tax from payments to companies).
- F16

Textual Amendments

- F1** Sch. 1 para. 6 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

- 7 Omit section 42A (non-resident landlords and their representatives).
- 8 Omit sections 50, 51 and 51AA (United Kingdom securities: Treasury directions for payment without deduction of tax etc).
- F29

Textual Amendments

- F2** Sch. 1 para. 9 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

- F310

Textual Amendments

- F3** Sch. 1 para. 10 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

- 11 Omit section 109A (relief for post-cessation expenditure).

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F4 12

Textual Amendments
F4 Sch. 1 para. 12 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with **Sch. 2 Pts. 1, 2**)

13 Omit section 117 (restriction on relief for limited partners: individuals).

F5 14

Textual Amendments
F5 Sch. 1 paras. 14-17 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with **Sch. 2**)

F5 15

Textual Amendments
F5 Sch. 1 paras. 14-17 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with **Sch. 2**)

F5 16

Textual Amendments
F5 Sch. 1 paras. 14-17 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with **Sch. 2**)

F5 17

Textual Amendments
F5 Sch. 1 paras. 14-17 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with **Sch. 2**)

18 Omit sections 118ZE to 118ZK (restriction on reliefs for non-active general partners and non-active members of LLPs).

19 Omit sections 118ZL and 118ZM (restriction on reliefs for partnerships exploiting films).

20 Omit sections 118ZN and 118ZO (partners: meaning of “contribution to the trade”).

F6 21

Textual Amendments
F6 Sch. 1 para. 21 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with **Sch. 2 Pts. 1, 2**)

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F⁷22

Textual Amendments

F7 Sch. 1 para. 22 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

23 Omit section 214(1)(b) (chargeable payments connected with exempt distributions: deduction of tax at source).

24 (1) Amend section 231AA (no tax credit for borrower under stock lending arrangement or interim holder under repurchase agreement) as follows.

(2) In subsection (1) omit “above or section 397(1) of ITTOIA 2005”.

(3) Omit subsection (1A).

25 (1) Amend section 231AB (no tax credit for original owner under repurchase agreement in respect of certain manufactured dividends) as follows.

(2) In subsection (1) omit “above or section 397(1) of ITTOIA 2005”.

(3) Omit subsection (1A).

F⁸26

Textual Amendments

F8 Sch. 1 para. 26 omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of Finance Act 2016 (c. 24), Sch. 1 para. 63(18)

F⁹27

Textual Amendments

F9 Sch. 1 paras. 27-35 omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), Sch. 1 para. 6(o)(vi)

F⁹28

Textual Amendments

F9 Sch. 1 paras. 27-35 omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), Sch. 1 para. 6(o)(vi)

F⁹29

Textual Amendments

F9 Sch. 1 paras. 27-35 omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), Sch. 1 para. 6(o)(vi)

F⁹30

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Textual Amendments

F9 Sch. 1 paras. 27-35 omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 6(o)(vi)**

F931

Textual Amendments

F9 Sch. 1 paras. 27-35 omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 6(o)(vi)**

F932

Textual Amendments

F9 Sch. 1 paras. 27-35 omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 6(o)(vi)**

F933

Textual Amendments

F9 Sch. 1 paras. 27-35 omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 6(o)(vi)**

F934

Textual Amendments

F9 Sch. 1 paras. 27-35 omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 6(o)(vi)**

F935

Textual Amendments

F9 Sch. 1 paras. 27-35 omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 6(o)(vi)**

- 36 (1) Amend section 266 (life assurance premiums) as follows.
- (2) In subsection (3)(c) omit the words from “, except” to “subsection (6) below”.
- (3) In subsection (4) for “subsections (6) to (8)” substitute “ subsections (7) and (8) ”.
- (4) Omit subsections (6) and (6A).
- F10**(5)
- F10**(6)

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(7) In subsection (13) omit “this section and”.

Textual Amendments

F10 Sch. 1 para. 36(5)(6) omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 6\(o\)\(vi\)](#)

F1137

Textual Amendments

F11 Sch. 1 para. 37 omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 6\(o\)\(vi\)](#)

- 38 Omit section 276 (effect on relief of charges on income).
- 39 Omit section 277 (partners).
- 40 (1) Amend section 278 (non-residents) as follows.
- (2) Omit subsection (1).
- (3) In subsection (2)—
- (a) for the words from the beginning to “individual” substitute “ Subject to subsection (2ZA) below, relief under this Chapter shall be given only to an individual ”,
- (b) before paragraph (a) insert—
- “(za) is not resident in the United Kingdom,
- (zb) does not meet the condition in section 56(3) of ITA 2007, and”, and
- (c) omit paragraphs (b) to (e) and the “or” immediately before paragraph (b).
- (4) After subsection (2) insert—
- “(2ZA) Relief under section 266 above (except relief given by virtue of subsection (7) of that section) may also be given to an individual who—
- (a) is resident in the United Kingdom, or
- (b) meets the condition in section 56(3) of ITA 2007.”
- 41 Omit section 282 (construction of references to spouses or civil partners living together).
- 42 Omit sections 282A and 282B (jointly held property).
- 43 Omit section 305A (relief for loss on disposal of shares).
- 44 In section 312(2A) (interpretation of Chapter 3), as it applies in relation to shares issued before 6 April 2007, for paragraph (a) substitute—
- “(a) references to a company being “in administration” are to—
- (i) it being in administration within the meaning of Schedule B1 to the Insolvency Act 1986 (c. 45) or Schedule B1 to the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)), or

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(ii) there being in force in relation to it, under the law of a country or territory outside the United Kingdom, any appointment corresponding to an appointment of an administrator under either of those Schedules;”.

45 Omit section 320 (Commonwealth Agents-General and official agents etc).

46 Omit section 323 (visiting forces).

47 Omit section 332A (venture capital trusts: relief).

48 Omit section 334 (Commonwealth and Irish citizens temporarily abroad).

49 Omit section 335 (residence of persons working abroad).

50 Omit section 336 (temporary residents in the United Kingdom).

F12 51

Textual Amendments

F12 Sch. 1 para. 51 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F13 52

Textual Amendments

F13 Sch. 1 para. 52 repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 2\(3\)](#)

53 Omit section 347B (qualifying maintenance payments).

54 Omit section 348 (payments out of profits or gains brought into charge to income tax: deduction of tax).

55 Omit section 349 (payments not out of profits or gains brought into charge to income tax, and annual interest).

56 Omit section 349ZA (extension of section 349: proceeds of sale of UK patent rights).

57 Omit sections 349A to 349D (exceptions to section 349 for payments between companies).

58 Omit section 349E (deductions under section 349(1): payment of royalties overseas).

59 Omit section 350 (charge to tax where payments made under section 349).

60 Omit section 350A (UK public revenue dividends: deduction of tax).

61 Omit section 352 (certificates of deduction of tax).

62 (1) Amend section 353 (relief for payments of interest: general) as follows.

(2) In subsection (1)—

(a) omit “sections 359 to 368 of this Act and”, and

(b) for “sections 359 to 365” substitute “ section 365 ”.

(3) For subsection (1A) substitute—

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“(1A) Where a person is entitled for a year of assessment to relief under this section in respect of an amount of interest which is eligible for relief by virtue of section 365, the relief is given as a tax reduction for that tax year.

(1AA) The amount of the tax reduction is 23% of the amount of the interest.

(1AB) The tax reduction is given effect at Step 6 of the calculation in section 23 of ITA 2007.”

(4) Omit subsection (1B).

(5) In subsection (1E)—

- (a) omit “under this section”,
- (b) for “subsection (1B) above” substitute “ section 383 of ITA 2007 (relief for interest payments) ”,
- (c) for “those subsections” substitute “ those provisions ”, and
- (d) for the words from “and subsection (1A) or (1B)” to the end substitute “ and subsection (1A) above or section 383 of ITA 2007 shall apply accordingly to the case in which that subsection or section applies ”.

(6) Omit subsections (1F) to (1H).

- 63 Omit section 359 (loan to buy machinery or plant).
- 64 Omit section 360 (loan to buy interest in close company).
- 65 Omit section 360A (meaning of “material interest” in section 360).
- 66 Omit section 361 (loan to buy interest in co-operative or employee-controlled company).
- 67 Omit section 362 (loan to buy into partnership).
- 68 Omit section 363 (provisions supplementary to sections 360 to 362).
- 69 Omit section 364 (loan to pay inheritance tax).
- 70 In section 366(1)(c) (information) omit the words from “(or” to “income)”.
- 71 In section 367 (provisions supplementary to sections 354 to 366) omit subsections (2) to (4).
- 72 Omit section 368 (exclusion of double relief etc).
- 73 Omit Chapter 1 of Part 10 (loss relief: income tax).
- F1474

Textual Amendments

F14 Sch. 1 para. 74 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

- 75 (1) Amend section 398 (transactions in deposits with and without certificates or in debts) as follows.
 - (2) For “a person” substitute “ a company ”.
 - (3) Omit “above or Chapter 11 of Part 4 of ITTOIA 2005 (transactions in deposits)”.

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- (4) In paragraph (a)—
 - (a) after “chargeable to” insert “ corporation ”, and
 - (b) omit “above or that Chapter”.
- (5) In paragraph (b) for the words from “he is chargeable” to “that Act” substitute “ the company is chargeable to corporation tax under Schedule D ”.
- (6) For the words from “the amount of his loss may be set off in pursuance” to the end substitute “ the amount of its loss may be set off under section 396. ”

F1576

Textual Amendments
F15 Sch. 1 para. 76 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

F1677

Textual Amendments
F16 Sch. 1 para. 77 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

F1778

Textual Amendments
F17 Sch. 1 para. 78 repealed (19.7.2007) by Finance Act 2007 (c. 11), Sch. 27 Pt. 2(7)

- 79 In section 459 (exemption for unregistered friendly societies) omit “income tax and”.
- 80 In section 460(1) (exemption for registered friendly societies: life or endowment business) omit “income tax and”.
- 81 (1) Section 461 (exemption for registered friendly societies: other business) is amended as follows.
 - (2) In subsection (1) omit “income tax and”.
 - (3) In subsection (4)(b) omit “income tax or”.
- 82 (1) Amend section 461B (exemption for qualifying incorporated friendly societies: other business) as follows.
 - (2) In subsection (1) omit “income tax and”.
 - (3) In subsection (5) omit “income tax or”.

F1883

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Textual Amendments

F18 Sch. 1 para. 83 repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 2\(7\)](#)

84 (1) Amend section 467(1) (exemption for trade unions and employers' associations) as follows.

^{F19}(2)

(3) In paragraph (a) omit “to exemption from income tax and corporation tax”.

(4) In paragraph (b) omit “to exemption from tax”.

Textual Amendments

F19 Sch. 1 para. 84(2) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

^{F20}85

Textual Amendments

F20 [Sch. 1 paras. 85-87](#) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

^{F20}86

Textual Amendments

F20 [Sch. 1 paras. 85-87](#) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

^{F20}87

Textual Amendments

F20 [Sch. 1 paras. 85-87](#) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

88 (1) Amend section 477A (building societies: regulations for deduction of tax) as follows.

(2) Omit subsections (1) to (2A).

(3) In subsection (3)—

(a) omit the words from “For any” to “above apply,” and

(b) in paragraph (b) omit the words “paid or credited in the year of assessment”.

(4) Omit subsection (7).

^{F21}(5)

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(6) In subsection (10) omit the definitions of “qualifying certificate of deposit”, “qualifying deposit right” and “security”.

F21(7)

Textual Amendments

F21 Sch. 1 para. 88(5)(7) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

89 Omit sections 480A to 482 (deduction of tax by deposit-takers).

90 (1) Amend section 486 (industrial and provident societies and co-operative associations) as follows.

(2) Omit subsections (2), (3) and (6).

(3) In subsection (7) for “subsection (6)” substitute “ section 887(2) of ITA 2007 ”.

F2291

Textual Amendments

F22 Sch. 1 para. 91 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

92 (1) Amend section 492 (treatment of oil extraction activities etc for tax purposes) as follows.

(2) Omit subsection (2).

F23(3)

Textual Amendments

F23 Sch. 1 para. 92(3) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

93 Omit section 504A (letting of furnished holiday accommodation treated as trade for certain income tax purposes).

F2494

Textual Amendments

F24 Sch. 1 paras. 94-100 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F2495

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Textual Amendments

F24 Sch. 1 paras. 94-100 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F2496

Textual Amendments

F24 Sch. 1 paras. 94-100 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F2497

Textual Amendments

F24 Sch. 1 paras. 94-100 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F2498

Textual Amendments

F24 Sch. 1 paras. 94-100 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F2499

Textual Amendments

F24 Sch. 1 paras. 94-100 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F24100

Textual Amendments

F24 Sch. 1 paras. 94-100 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

101 (1) Amend section 510A (tax treatment of European Economic Interest Groupings) as follows.

F25(2)

(3) In subsection (3) omit paragraph (b) and the “and” immediately before it.

F26(4)

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Textual Amendments

- F25** Sch. 1 para. 101(2) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)
- F26** Sch. 1 para. 101(4) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

102 Omit section 515 (exemption for signatories to Operating Agreement for INMARSAT).

103 Omit section 516 (Government securities held by non-resident central banks).

^{F27}104

Textual Amendments

- F27** Sch. 1 paras. 104-106 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F27}105

Textual Amendments

- F27** Sch. 1 paras. 104-106 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F27}106

Textual Amendments

- F27** Sch. 1 paras. 104-106 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F28}107

Textual Amendments

- F28** Sch. 1 para. 107 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

108 (1) Amend section 527 (spreading of royalties over several years) as follows.

(2) For subsection (1) substitute—

“(1) Where—

- (a) a royalty or other sum is paid to a company in respect of the user of a patent,
- (b) the user extended over a period of six complete years or more, and
- (c) the payment is one from which a sum representing income tax must be deducted under section 903 of ITA 2007,

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the company may on the making of a claim require that the corporation tax payable by it by reason of the receipt of that sum shall be reduced so as not to exceed the total amount of corporation tax which would have been payable by it if that royalty or sum had been paid in six equal instalments at yearly intervals, the last of which was paid on the date on which the payment was in fact made.”

(3) Omit subsection (4).

^{F29}109

Textual Amendments

F29 Sch. 1 para. 109 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

110 Omit sections 536 (taxation of royalties where owner abroad), 537 (public lending right) and 537B (taxation of design royalties where owner abroad).

^{F30}111

Textual Amendments

F30 Sch. 1 para. 111 omitted (21.7.2008 with effect in accordance with Sch. 14 para. 18 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), **Sch. 14 para. 17(o)**

^{F31}112

Textual Amendments

F31 Sch. 1 para. 112 omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), **Sch. 1 para. 35**

113 Omit section 555 (entertainers and sportsmen: payment of tax).

^{F32}114

Textual Amendments

F32 Sch. 1 para. 114 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

115 In section 558 (supplementary provisions) omit subsections (1) to (4).

116 In section 571 (schemes for rationalising industry: cancellation of certificates) after subsection (1) insert—

“(1A) An amount charged to income tax under subsection (1) above is treated for income tax purposes as an amount of income.”

^{F33}117

Status: Point in time view as at 10/06/2021.

Changes to legislation: Income Tax Act 2007 is up to date with all changes known to be in force on or before 23 June 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. (See end of Document for details)

Textual Amendments

F33 Sch. 1 para. 117 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

118 Omit section 574 (share loss relief for individuals).

^{F34}119

Textual Amendments

F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F34}120

Textual Amendments

F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F34}121

Textual Amendments

F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F34}122

Textual Amendments

F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F34}123

Textual Amendments

F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F34}124

Textual Amendments

F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

Status: Point in time view as at 10/06/2021.

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F34 125

Textual Amendments

F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F34 126

Textual Amendments

F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F34 127

Textual Amendments

F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F34 128

Textual Amendments

F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F34 129

Textual Amendments

F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F34 130

Textual Amendments

F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F34 131

Textual Amendments

F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

Status: Point in time view as at 10/06/2021.

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F34 132

Textual Amendments
F34 Sch. 1 paras. 119-132 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

133 Omit section 581A (interest on foreign currency securities etc).

F35 134

Textual Amendments
F35 Sch. 1 para. 134 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

135 Omit section 582A (designated international organisations: miscellaneous exemptions).

136 Omit section 587A (new issues of securities: extra return).

F36 137

Textual Amendments
F36 Sch. 1 paras. 137-139 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F36 138

Textual Amendments
F36 Sch. 1 paras. 137-139 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F36 139

Textual Amendments
F36 Sch. 1 paras. 137-139 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

140 In section 615(3) (exemption from tax in respect of certain pensions) for “section 349(1)” substitute “ Chapter 6 of Part 15 of ITA 2007 (deduction from annual payments and patent royalties) ”.

F37 141

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F37 Sch. 1 para. 141 omitted (21.7.2008 with effect in accordance with Sch. 14 para. 18 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 17\(o\)](#)

142 In section 658(4)(b) (supplementary) omit “(notwithstanding anything in section 348)”.

143 In section 659E(1) (treatment of income from property investment LLPs) at the end insert “ (see section 1004 of ITA 2007) ”.

144 Omit section 660C(3) (nature of charge on settlor).

145 Omit sections 685A to 687 (liability of trustees).

^{F38}146

Textual Amendments

F38 [Sch. 1 para. 146](#) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

147 Omit section 689A (disregard of trustees' expenses where beneficiary non-UK resident).

^{F39}148

Textual Amendments

F39 [Sch. 1 para. 148](#) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

149 Omit sections 690 to 694.

150 Omit section 698A.

^{F40}151

Textual Amendments

F40 Sch. 1 para. 151 omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 35](#)

^{F41}152

Textual Amendments

F41 Sch. 1 para. 152 omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 35](#)

^{F42}153

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F42 Sch. 1 paras. 153-159 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F42154

Textual Amendments

F42 Sch. 1 paras. 153-159 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F42155

Textual Amendments

F42 Sch. 1 paras. 153-159 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F42156

Textual Amendments

F42 Sch. 1 paras. 153-159 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F42157

Textual Amendments

F42 Sch. 1 paras. 153-159 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F42158

Textual Amendments

F42 Sch. 1 paras. 153-159 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F42159

Textual Amendments

F42 Sch. 1 paras. 153-159 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F43160

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F43 Sch. 1 para. 160 omitted (13.8.2009) by virtue of [The Finance Act 2009, Schedule 47 \(Consequential Amendments\) Order 2009 \(S.I. 2009/2035\)](#), art. 1, [Sch. para. 60\(n\)](#)

F44 161

Textual Amendments

F44 [Sch. 1 para. 161](#) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

162 Omit sections 710 to 727A (accrued income scheme).

F45 163

Textual Amendments

F45 Sch. 1 para. 163 omitted (13.8.2009) by virtue of [The Finance Act 2009, Schedule 47 \(Consequential Amendments\) Order 2009 \(S.I. 2009/2035\)](#), art. 1, [Sch. para. 60\(n\)](#)

F46 164

Textual Amendments

F46 Sch. 1 paras. 164-166 repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 2\(14\)](#)

F46 165

Textual Amendments

F46 Sch. 1 paras. 164-166 repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 2\(14\)](#)

F46 166

Textual Amendments

F46 Sch. 1 paras. 164-166 repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 2\(14\)](#)

F47 167

Textual Amendments

F47 Sch. 1 paras. 167-170 omitted (21.7.2008 with effect in accordance with s. 66(8) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 66\(4\)\(I\)\(viii\)](#)

F47 168

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F47 Sch. 1 paras. 167-170 omitted (21.7.2008 with effect in accordance with s. 66(8) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 66\(4\)\(I\)\(viii\)](#)

^{F47}169

Textual Amendments

F47 Sch. 1 paras. 167-170 omitted (21.7.2008 with effect in accordance with s. 66(8) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 66\(4\)\(I\)\(viii\)](#)

^{F47}170

Textual Amendments

F47 Sch. 1 paras. 167-170 omitted (21.7.2008 with effect in accordance with s. 66(8) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 66\(4\)\(I\)\(viii\)](#)

- 171 (1) Amend section 736B (deemed manufactured payments in the case of stock lending arrangements) as follows.
- (2) In subsection (2)—
- (a) after “that Schedule” insert “, and section 97 of the Finance Act 1996 (loan relationships: manufactured interest), ”, and
 - ^{F48}(b)
- (3) In subsection (2A)—
- (a) in paragraph (a) omit “income tax or”, and
 - (b) in paragraph (b) omit “total income or, as the case may be,”.

Textual Amendments

F48 [Sch. 1 para. 171\(2\)\(b\)](#) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

^{F49}172

Textual Amendments

F49 Sch. 1 para. 172 omitted (retrospective and with effect in accordance with Sch. 24 paras. 12, 13-16 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 24 paras. 9\(e\), 12](#)

^{F50}173

Textual Amendments

F50 Sch. 1 para. 173 repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 2\(14\)](#)

Status: Point in time view as at 10/06/2021.

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^{F51}174

Textual Amendments

F51 Sch. 1 para. 174 repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), **Sch. 27 Pt. 2(14)**

^{F52}175

Textual Amendments

F52 Sch. 1 para. 175 omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), **Sch. 17 para. 35(2)(c)**

176 (1) Amend section 737E (power to modify sections 727A, 730A, 730BB and 737A to 737C) as follows.

(2) In subsections (1) and (2) omit “727A,”.

(3) In subsections (4) and (6)(b) omit “or 263D”.

(4) In the sidenote omit “727A,”.

177 Omit sections 739 to 746 (transfer of assets abroad).

178 In section 747(4) (imputation of chargeable profits and creditable tax of controlled foreign companies) omit paragraph (b) and the “and” immediately before it.

^{F53}179

Textual Amendments

F53 Sch. 1 paras. 179-181 repealed (with effect in accordance with art. 1(2)(3) Sch. 1 of the amending S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), reg. 1(1), **Sch. 2**

^{F53}180

Textual Amendments

F53 Sch. 1 paras. 179-181 repealed (with effect in accordance with art. 1(2)(3) Sch. 1 of the amending S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), reg. 1(1), **Sch. 2**

^{F53}181

Textual Amendments

F53 Sch. 1 paras. 179-181 repealed (with effect in accordance with art. 1(2)(3) Sch. 1 of the amending S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), reg. 1(1), **Sch. 2**

182 Omit section 775 (sale by individual of income derived from his personal activities).

^{F54}183

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F54 Sch. 1 para. 183 omitted (with effect in accordance with Sch. 25 para. 10 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 25 para. 9(3)(h)(ii)**

^{F55}184

Textual Amendments

F55 Sch. 1 paras. 184-186 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F55}185

Textual Amendments

F55 Sch. 1 paras. 184-186 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F55}186

Textual Amendments

F55 Sch. 1 paras. 184-186 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F56F57}187

Textual Amendments

F56 Sch. 1 paras. 187-190 repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 10 Pt. 9** (with Sch. 9 paras. 1-9, 22)
F57 Sch. 1 paras. 187-190 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 2** (with Sch. 2)

^{F56F57}188

Textual Amendments

F56 Sch. 1 paras. 187-190 repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 10 Pt. 9** (with Sch. 9 paras. 1-9, 22)
F57 Sch. 1 paras. 187-190 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 2** (with Sch. 2)

^{F56F57}189

Status: Point in time view as at 10/06/2021.

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Textual Amendments

- F56** Sch. 1 paras. 187-190 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 10 Pt. 9](#) (with [Sch. 9 paras. 1-9, 22](#))
- F57** Sch. 1 paras. 187-190 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 3 Pt. 2](#) (with [Sch. 2](#))

F56F57 190

Textual Amendments

- F56** Sch. 1 paras. 187-190 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 10 Pt. 9](#) (with [Sch. 9 paras. 1-9, 22](#))
- F57** Sch. 1 paras. 187-190 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 3 Pt. 2](#) (with [Sch. 2](#))

F58 191

Textual Amendments

- F58** Sch. 1 para. 191 omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\), Sch. 1 para. 35](#)

F59 192

Textual Amendments

- F59** Sch. 1 paras. 192-196 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 10 Pt. 1](#) (with [Sch. 9 paras. 1-9, 22](#))

F59 193

Textual Amendments

- F59** Sch. 1 paras. 192-196 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 10 Pt. 1](#) (with [Sch. 9 paras. 1-9, 22](#))

F59 194

Textual Amendments

- F59** Sch. 1 paras. 192-196 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 10 Pt. 1](#) (with [Sch. 9 paras. 1-9, 22](#))

F59 195

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F59 Sch. 1 paras. 192-196 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 10 Pt. 1** (with Sch. 9 paras. 1-9, 22)

^{F59}196

Textual Amendments

F59 Sch. 1 paras. 192-196 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 10 Pt. 1** (with Sch. 9 paras. 1-9, 22)

197 (1) Amend section 804 (relief against income tax in respect of income arising in years of commencement) as follows.

^{F60}(2)

(3) Omit subsection (6).

Textual Amendments

F60 Sch. 1 para. 197(2) repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 10 Pt. 1** (with Sch. 9 paras. 1-9, 22)

198 (1) Amend section 807 (sale of securities with or without accrued interest) as follows.

^{F61}(2)

^{F62}(3)

(4) In the full-out words of subsection (1)—

^{F63}(a)

(b) omit “or corporation tax”.

^{F64}(5)

^{F64}(6)

^{F64}(7)

(8) Omit subsection (6).

Textual Amendments

F61 Sch. 1 para. 198(2) repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 10 Pt. 1** (with Sch. 9 paras. 1-9, 22)

F62 Sch. 1 para. 198(3) repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 10 Pt. 1** (with Sch. 9 paras. 1-9, 22)

F63 Sch. 1 para. 198(4)(a) repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), **Sch. 10 Pt. 1** (with Sch. 9 paras. 1-9, 22)

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F64 Sch. 1 para. 198(5)-(7) repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 10 Pt. 1** (with Sch. 9 paras. 1-9, 22)

F65 199

Textual Amendments

F65 Sch. 1 para. 199 repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 10 Pt. 1** (with Sch. 9 paras. 1-9, 22)

200 In section 811(2) (deduction for foreign tax where no credit allowable)—

F66(a)

(b) omit paragraph (b) and the “and” immediately after it.

Textual Amendments

F66 Sch. 1 para. 200(a) repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 10 Pt. 1** (with Sch. 9 paras. 1-9, 22)

201 In section 812(5) (withdrawal of right to tax credit of certain non-resident companies connected with unitary states) for paragraph (c) substitute—

“(c) whether a person is connected with another is determined in accordance with section 839;”.

202 In section 816 (disclosure of information)—

F67(a)

(b) omit subsection (3A).

Textual Amendments

F67 Sch. 1 para. 202(a) repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 10 Pt. 1** (with Sch. 9 paras. 1-9, 22)

203 Omit section 818 (arrangements for payments of interest less tax or of fixed net amount).

204 Omit section 819 (old references to standard rate tax).

205 In section 821(3) (under-deductions from payments made before passing of annual Act)—

(a) for paragraph (a) substitute—

“(a) any payment to which section 906 of ITA 2007 applies (certain royalties etc where usual place of abode of owner is abroad), and”;

(b) omit paragraph (aa) and the “and” immediately after it.

206 Omit section 823 (adjustments of reliefs where given at different times).

207 Omit section 827A (territorial scope of charges under certain provisions to which section 836B applies).

Status: Point in time view as at 10/06/2021.

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208 (1) Amend section 828 (orders and regulations made by the Treasury or the Board) as follows.

^{F68}(2)

^{F68}(3)

^{F68}(4)

(5) In subsection (4)—

(a) omit “1(6),”

(b) omit “257C, 582A(1),” and

(c) omit “or section 82(4)(d) of the Capital Allowances Act”.

^{F69}(6)

Textual Amendments

^{F68} Sch. 1 para. 208(2)-(4) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

^{F69} Sch. 1 para. 208(6) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

209 Omit section 829 (application of Income Tax Acts to public departments and avoidance of exempting provisions).

210 In section 830(1) (territorial sea) omit “income tax and”.

211 In section 831(3) (interpretation of ICTA) after the definition of “ITTOIA 2005” insert—

““ITA 2007” means the Income Tax Act 2007;”.

^{F70}212

Textual Amendments

^{F70} Sch. 1 para. 212 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

213 Omit section 833 (interpretation of the Income Tax Acts).

^{F71}214

Textual Amendments

^{F71} Sch. 1 para. 214 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

215 Omit section 835 (“total income” in the Income Tax Acts).

216 Omit section 836 (returns of total income).

217 Omit section 836B (table of provisions to which that section applies).

218 Omit section 837 (“annual value” of land).

Status: Point in time view as at 10/06/2021.

Changes to legislation: Income Tax Act 2007 is up to date with all changes known to be in force on or before 23 June 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. (See end of Document for details)

F72 219

Textual Amendments

F72 Sch. 1 paras. 219-228 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F72 220

Textual Amendments

F72 Sch. 1 paras. 219-228 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F72 221

Textual Amendments

F72 Sch. 1 paras. 219-228 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F72 222

Textual Amendments

F72 Sch. 1 paras. 219-228 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F72 223

Textual Amendments

F72 Sch. 1 paras. 219-228 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F72 224

Textual Amendments

F72 Sch. 1 paras. 219-228 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F72 225

Textual Amendments

F72 Sch. 1 paras. 219-228 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

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F72 226

Textual Amendments
 F72 Sch. 1 paras. 219-228 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F72 227

Textual Amendments
 F72 Sch. 1 paras. 219-228 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F72 228

Textual Amendments
 F72 Sch. 1 paras. 219-228 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

229 Omit section 842AA (venture capital trusts).

F73 230

Textual Amendments
 F73 Sch. 1 para. 230 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F74 231

Textual Amendments
 F74 Sch. 1 para. 231 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

232 (1) Amend Schedule 14 (provisions ancillary to section 266) as follows.

F75 (2)

(3) In paragraph 6(1) for “subsections (6) and (7)” substitute “ subsection (7) ”.

(4) In paragraph 8 after sub-paragraph (3) insert—

“(3A) In sub-paragraph (3) “industrial assurance business” means any industrial assurance business within the meaning given by—

(a) section 1(2) of the Industrial Assurance Act 1923, or

(b) Article 3(1) of the Industrial Assurance (Northern Ireland) Order 1979,

which was carried on before 1 December 2001.”

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F75 Sch. 1 para. 232(2) omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 6(o)(vi)**

233 In Part 1 of Schedule 15 (qualifying policies for the purposes of section 267) after paragraph 20 insert—

“Meaning of “industrial assurance business”

20A In this Part of this Schedule “industrial assurance business” means any industrial assurance business within the meaning given by—

- (a) section 1(2) of the Industrial Assurance Act 1923, or
- (b) Article 3(1) of the Industrial Assurance (Northern Ireland) Order 1979,

which was carried on before 1 December 2001.”

234 Omit Part 1 of Schedule 15B (venture capital trusts: relief from income tax).

235 Omit Schedule 16 (collection of income tax on company payments).

236 In paragraph 2(b) of Schedule 19B (petroleum extraction activities: exploration expenditure supplement) after “section 837B” insert “ of this Act and section 1003 of ITA 2007 ”.

^{F76}237

Textual Amendments

F76 Sch. 1 para. 237 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F77}238

Textual Amendments

F77 Sch. 1 para. 238 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F78}239

Textual Amendments

F78 Sch. 1 para. 239 repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 10 Pt. 2** (with Sch. 9 paras. 1-9, 22)

240 Omit Schedule 28B (venture capital trusts: meaning of “qualifying holding”).

Status: Point in time view as at 10/06/2021.

Changes to legislation: Income Tax Act 2007 is up to date with all changes known to be in force on or before 23 June 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. (See end of Document for details)

PART 2

OTHER ENACTMENTS

Chevening Estate Act 1959 (c. 49)

- 241 In section 2(1A)(a) of the Chevening Estate Act 1959 (provisions as to income tax, estate duty and stamp duty) for “section 505(1A) of the Income and Corporation Taxes Act 1988” substitute “ section 533(2) of the Income Tax Act 2007 ”.

Taxes Management Act 1970 (c. 9)

- 242 The Taxes Management Act 1970 is amended as follows.

^{F79}243

Textual Amendments

- F79** Sch. 1 para. 243 omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 463**

^{F80}244

Textual Amendments

- F80** Sch. 1 para. 244 omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), **Sch. 1 para. 35**

- 245 (1) Amend section 12AB(1) (partnership return to include partnership statement) as follows.

(2) In paragraph (a)—

^{F81}(a)

(b) omit sub-paragraph (iv) and the “and” immediately before it.

^{F82}(3)

Textual Amendments

- F81** [Sch. 1 para. 245\(2\)\(a\)](#) omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), **Sch. 1 para. 63(18)**

- F82** [Sch. 1 para. 245\(3\)](#) omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), **Sch. 1 para. 63(18)**

- 246 In section 12B(4A)(a) (records to be kept for purposes of returns) for sub-paragraph (ii) substitute—

“(ii) section 495(1) or 975(2) or (4) of ITA 2007 (statements about deduction of income tax),”.

- 247 (1) Amend section 17 (interest paid or credited by banks etc without deduction of income tax or after deduction of income tax) as follows.

(2) In subsection (1) after “bank” insert “ or building society ”.

Status: Point in time view as at 10/06/2021.

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- (3) In subsection (1A) for “section 840A of the principal Act” substitute “ section 991 of ITA 2007 ”.
- (4) After subsection (6) insert—
 - “(7) In the application of this section in relation to building societies, references to interest include references to dividends.

For this purpose “dividend” includes any distribution (whether or not described as a dividend).”
- (5) In the sidenote after “banks” insert “ , building societies ”.
- 248 In section 21(5A) (transactions in securities etc) for “Schedule 23A to the principal Act” substitute “ Chapter 2 of Part 11 or Chapter 9 of Part 15 of ITA 2007 ”.
- 249 In section 24(3A) (power to obtain information as to income from securities) for “section 840A of the principal Act” substitute “ section 991 of ITA 2007 ”.
- ^{F83}250

Textual Amendments

F83 Sch. 1 para. 250 omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 1 para. 463](#)

- 251 In section 36(3A) (fraudulent or negligent conduct)—
 - (a) after “section 257BA of the principal Act” insert “ or any of sections 47 to 49 of ITA 2007 ”, and
 - (b) for “(elections as to transfer of married couple's allowance)” substitute “(tax reductions for married couples and civil partners: elections to transfer relief) ”.
- 252 (1) Amend section 37A (effect of assessment where allowances transferred) as follows.
 - (2) For “income tax reduction or deduction from total income” in both places where it occurs substitute “ deduction from net income or tax reduction ”.
 - (3) After “spouse” insert “ or civil partner ”.
 - (4) After “the principal Act” insert “ or section 39, 51 or 52 of ITA 2007 ”.
- 253 In section 42(7) (procedure for making claims etc)—
 - (a) in paragraph (a) omit “723(3),”,
 - (b) omit “and” at the end of paragraph (d), and
 - (c) after paragraph (e) insert “and
(f) sections 668 and 669 of ITA 2007.”
- 254 In section 43A(2A) (further assessments: claims etc)—
 - (a) in paragraph (a) after “section 257BA of the principal Act” insert “ or any of sections 47 to 49 of ITA 2007 ”,
 - (b) in paragraph (a) for “(election as to transfer of married couple's allowance)” substitute “(tax reductions for married couples and civil partners: elections to transfer relief)”, ^{F84} ...
 - ^{F84}(c)

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Textual Amendments

F84 Sch. 1 para. 254(c) and preceding word repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), **Sch. 1 Pt. 10** Group 1

^{F85}255

Textual Amendments

F85 Sch. 1 para. 255 omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 463**

^{F86}256

Textual Amendments

F86 Sch. 1 para. 256 omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 463**

257 In section 55(1) (recovery of tax not postponed)—
 (a) omit paragraph (c), and
 (b) in paragraph (d) for “that Act” substitute “ the principal Act ”.

258 For section 87 (interest on income tax on company payments) substitute—

“87 Interest on overdue income tax deducted at source

- (1) Income tax which is assessable under Chapter 15 of Part 15 of ITA 2007 carries interest at the rate applicable under section 178 of the Finance Act 1989 from the date when it was due under section 951 of ITA 2007 until payment.
- (2) Subsection (1) applies—
 - (a) whether or not an assessment is made, and
 - (b) whether or not income tax which is assessed has been paid when the assessment is made.
- (3) Subsection (1) applies even if the date when the income tax should have been paid is a non-business day as defined by section 92 of the Bills of Exchange Act 1882.
- (4) Subsection (5) applies to any income tax which—
 - (a) was payable under Chapter 15 of Part 15 of ITA 2007 (collection: deposit-takers, building societies and certain companies) in respect of payments within section 946 of that Act made in a return period,
 - (b) was not paid on the date when it was due under section 951 of that Act, and
 - (c) has subsequently been discharged or repaid under section 953 of that Act because the person who made the payments received payments on which it suffered income tax by deduction in a later return period.

Status: Point in time view as at 10/06/2021.

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- (5) The income tax carries interest under subsection (1) from the date when it was due under section 951 of ITA 2007 until the earliest of—
- (a) the date when the income tax was paid,
 - (b) the date when the person delivered a return for the later return period, and
 - (c) the expiry of 14 days after the end of that period,
- but subsection (1) does not otherwise apply to the income tax.
- (6) In this section “return period” means a period for which a return is required to be made under Chapter 15 of Part 15 of ITA 2007.”

F87 259

Textual Amendments

F87 Sch. 1 para. 259 omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 35](#)

- 260 (1) Amend section 98 (special returns etc) as follows.
- (2) In subsection (4A)(a) for “section 350(1) of, or Schedule 16 to, the principal Act” substitute “ Chapter 15 or 16 of Part 15 of ITA 2007 ”.
- (3) In subsection (4B) for paragraphs (a) to (d) substitute—
- “(a) the payment is made by a company, local authority or qualifying partnership (within the meaning of section 932 of ITA 2007) without an amount representing income tax on the payment being deducted from it,
 - (b) at the time the payment is made, the company, authority or partnership—
 - (i) does not believe that the payment is an excepted payment for the purposes of Chapter 11 of Part 15 of ITA 2007 (payments between companies etc: exception from duties to deduct), or
 - (ii) if it does so believe, cannot reasonably do so,
 - (c) the payment is one from which tax is deductible under Part 15 of ITA 2007 unless the company, authority or partnership reasonably believes that it is an excepted payment for the purposes of Chapter 11 of that Part, and
 - (d) the payment is not an excepted payment at the time the payment is made.”
- (4) Omit subsection (4C).
- (5) For subsection (4D) substitute—
- “(4D) A payment is within this subsection if—
- (a) it is a payment from which a sum representing income tax must be deducted under Chapter 6 (deduction from annual payments and patent royalties) or 7 (deduction from other payments connected with intellectual property) of Part 15 of ITA 2007,

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- (b) a company, purporting to rely on section 911 of that Act (double taxation arrangements: deduction at treaty rate), deducts less from the payment than required by those Chapters, and
 - (c) at the time the payment is made the payee (as defined in section 913 of that Act) is not entitled to relief under double taxation arrangements (as defined in section 1023 of that Act) and the company—
 - (i) does not believe that it is entitled to such relief, or
 - (ii) if it does so believe, cannot reasonably do so.”
- (6) For subsection (4DA) substitute—
- “(4DA) A payment is within this subsection if—
- (a) it is a payment from which a sum representing income tax must be deducted under Chapter 6 (deduction from annual payments and patent royalties) or 7 (deduction from other payments connected with intellectual property) of Part 15 of ITA 2007,
 - (b) a company, purporting to rely on section 914 of ITA 2007 (EU companies: discretion to make payment gross), makes the payment without deducting a sum representing income tax, and
 - (c) at the time the payment is made the payment is not exempt from income tax as a result of section 758 of ITTOIA 2005 (exemption for certain interest and royalty payments) and the company—
 - (i) does not believe that the payment is so exempt, or
 - (ii) if it does so believe, cannot reasonably do so.”
- (7) In subsection (4E)(b) for “section 349(2) of the principal Act” substitute “ section 874 of ITA 2007 ”.
- (8) In the first column of the Table—
- (a) omit the entry relating to regulations under section 42A of ICTA,
 - (b) omit the entry relating to regulations under section 476(1) of ICTA,
 - (c) omit the entry relating to regulations under section 477A(1) of ICTA,
 - (d) omit the entry relating to section 482(3) of ICTA,
 - (e) omit the entry relating to regulations under section 482(11) of ICTA,
 - (f) omit the entry relating to section 483 of ICTA,
 - (g) omit the entry relating to regulations under section 555(7) of ICTA,
 - (h) omit the entry relating to section 745(1) of ICTA,
 - (i) omit the entry relating to paragraph 5(2) of Schedule 15B to ICTA,
 - (j) omit the entry relating to regulations under paragraph 11B(5) of Schedule 28B to ICTA,
 - (k) omit the entry relating to section 86(12) of FA 1995,
 - (l) omit the entry relating to regulations under Schedule 33 to FA 2002, and
 - (m) at the end insert—
 - “sections 242 and 243(1) and (2) of ITA 2007;
 - section 271(2) of ITA 2007;
 - regulations under Chapter 5 of Part 6 of ITA 2007;
 - regulations under section 330(5) of ITA 2007;

Status: Point in time view as at 10/06/2021.

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section 703 of ITA 2007;
section 748(1) and (2) of ITA 2007;
section 771 of ITA 2007;
section 788 of ITA 2007;
section 862 of ITA 2007;
regulations under section 871(1) of ITA 2007;
regulations under section 969(1) of ITA 2007;
regulations under section 971(1) of ITA 2007;
paragraph 155(5) of Schedule 2 to ITA 2007.”

(9) In the second column of the Table—

- (a) omit the entry relating to regulations under section 42A of ICTA,
- (b) omit the entry relating to section 350(1) of ICTA,
- (c) omit the entry relating to regulations under section 476(1) of ICTA,
- (d) omit the entry relating to regulations under section 477A(1) of ICTA,
- (e) omit the entry relating to section 482(2) of ICTA,
- (f) omit the entry relating to regulations under section 482(11) of ICTA,
- (g) omit the entry relating to regulations under section 555(7) of ICTA,
- (h) omit the entry relating to paragraph 5(1) of Schedule 15B to ICTA,
- (i) omit the entry relating to Schedule 16 to ICTA,
- (j) omit the entry relating to regulations under Schedule 33 to FA 2002,
- (k) omit the entry relating to regulations under section 122 of FA 2006, and
- (l) at the end insert—

“sections 240 and 241 of ITA 2007;
section 271(1) of ITA 2007;
regulations under Chapter 5 of Part 6 of ITA 2007;
section 373 of ITA 2007;
regulations under section 871(1) of ITA 2007;
Chapter 15 of Part 15 of ITA 2007;
Chapter 16 of Part 15 of ITA 2007;
regulations under section 969(1) of ITA 2007;
regulations under section 971(1) of ITA 2007;
regulations under section 973(1) of ITA 2007.”

(10) After the paragraph at the end of the Table insert— “ References in this Table to sections 240, 241, 242 and 243(1) and (2) of ITA 2007 are to provisions that apply only in relation to shares issued after 5 April 2007. ”

Status: Point in time view as at 10/06/2021.

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261 In section 99A (certificates of non-liability to income tax) for “section 477A of the principal Act (building societies) or section 480B of that Act (deposit-takers)” substitute “ section 852 of ITA 2007 ”.

262 After section 99A insert—

“99B Declarations under Chapter 2 of Part 15 of ITA 2007

Where a person fraudulently or negligently gives any incorrect information in a declaration under any of sections 858 to 861 of ITA 2007, the person shall be liable to a penalty not exceeding £3,000.”

263 In section 118(1) (interpretation)—

^{F88}(a)

(b) after the definition of “ITTOIA 2005” insert—

““ITA 2007” means the Income Tax Act 2007,”.

Textual Amendments

F88 Sch. 1 para. 263(a) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

264 In paragraph 9(2) of Schedule 1A (claims etc not included in returns)—

(a) in paragraph (a) for “(personal reliefs for non-residents)” substitute “ or section 56 or 460 of ITA 2007 (residence etc of claimants) ”, and

(b) in paragraph (c) for “of that Act” substitute “ of the principal Act ”.

Finance Act 1971 (c. 68)

265 Omit section 21 of, and Schedule 3 to, the Finance Act 1971 (occupational pension schemes).

Biological Standards Act 1975 (c. 4)

266 In section 2(4A)(a) of the Biological Standards Act 1975 (general provisions about the Board) for “section 505(1A) of the Income and Corporation Taxes Act 1988” substitute “ section 533(2) of the Income Tax Act 2007 ”.

House of Commons Disqualification Act 1975 (c. 24)

^{F89}267

Textual Amendments

F89 Sch. 1 para. 267 omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 463**

Inheritance Tax Act 1984 (c. 51)

268 The Inheritance Tax Act 1984 is amended as follows.

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- 269 In section 157(6) (non-residents' bank accounts) for “section 840A of the Taxes Act 1988” substitute “ section 991 of the Income Tax Act 2007 ”.
- 270 In section 204(5) (limitation of liability) for “section 739 or 740 of the Taxes Act 1988” substitute “ Chapter 2 of Part 13 of the Income Tax Act 2007 ”.
- 271 In section 272 (general interpretation) in the definition of “authorised unit trust” for the words from “section 469” to “section)” substitute “ the Income Tax Acts (see section 1007 of the Income Tax Act 2007) ”.

Administration of Justice Act 1985 (c. 61)

- 272 In paragraph 36(3) of Schedule 2 to the Administration of Justice Act 1985—
^{F90}(a)
(b) after “1988” insert “ and sections 749, 771(5) and (6) and 788(5) and (6) of the Income Tax Act 2007 ”.

Textual Amendments

F90 Sch. 1 para. 272(a) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

Building Societies Act 1986 (c. 53)

- 273 In section 8(9) of the Building Societies Act 1986 (raising funds and borrowing) for “482(6) of the Income and Corporation Taxes Act 1988” substitute “ 866(2) and (3) of the Income Tax Act 2007 ”.

Finance Act 1988 (c. 39)

- 274 The Finance Act 1988 is amended as follows.

^{F91}275

Textual Amendments

F91 Sch. 1 para. 275 repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 10 Pt. 12 (with Sch. 9 paras. 1-9, 22)

- 276 In Schedule 6 (commercial woodlands) omit paragraph 3(3) to (5).

^{F92}277

Textual Amendments

F92 Words in Sch. 1 para. 277 omitted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by virtue of Finance Act 2016 (c. 24), Sch. 6 para. 25(a)

Finance Act 1989 (c. 26)

- 278 The Finance Act 1989 is amended as follows.

Status: Point in time view as at 10/06/2021.

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^{F93}279

Textual Amendments

F93 Sch. 1 para. 279 omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 35](#)

- 280 In section 111 (residence of personal representatives)—
- (a) omit subsections (1) to (3) and (6) to (8), and
 - (b) in subsection (5) omit the words “Subject to subsections (6) to (8) below,”.
- 281 (1) Amend section 151 (assessment of trustees and personal representatives) as follows.
- (2) In subsection (2)(a) omit the words from “other” to “2005,”.
 - (3) Omit subsection (2)(b) and the “and” immediately before it.
 - (4) Omit subsection (3).
- 282 In section 182(3) (disclosure of information) at the end of paragraph (d) insert “ or section 704 of the Income Tax Act 2007 ”.
- 283 (1) Amend Schedule 5 (employee share ownership trusts) as follows.
- (2) In paragraph 15 for “section 840 of the Taxes Act 1988” substitute “ section 995 of the Income Tax Act 2007 ”.
 - (3) In paragraph 16(2)—
 - (a) in paragraph (b) for “section 840 of that Act” substitute “ section 995 of the Income Tax Act 2007 ”, and
 - (b) in paragraph (c) for “that Act” substitute “ the Taxes Act 1988 ”.

Finance Act 1990 (c. 29)

- 284 (1) Amend section 25 of the Finance Act 1990 (c. 29) (donations to charity by individuals) as follows.
- (2) Omit subsections (1) to (9A), (11) and (13).

^{F94}(3)

^{F94}(4)

Textual Amendments

F94 Sch. 1 para. 284(3)(4) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with Sch. 2)

Finance Act 1991 (c. 31)

- 285 The Finance Act 1991 (c. 31) is amended as follows.
- 286 Omit section 53 (Income Tax (Building Society) Regulations 1986).
- 287 Omit section 72 (deduction of trading losses).

Status: Point in time view as at 10/06/2021.

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Social Security Contributions and Benefits Act 1992 (c. 4)

- 288 The Social Security Contributions and Benefits Act 1992 (c. 4) is amended as follows.
- 289 In section 4A(3)(i)(i) (earnings of workers supplied by service companies etc) for “section 839 of the Income and Corporation Taxes Act 1988” substitute “section 993 of the Income Tax Act 2007”.
- 290 (1) Amend Schedule 2 (levy of Class 4 contributions with income tax) as follows.
- (2) In paragraph 1 after paragraph (ab) insert—
- “(ac) “ITA 2007” means the Income Tax Act 2007;”.
- (3) In paragraph 3—
- (a) in sub-paragraph (1)—
- (i) for “the Act of 1988” substitute “ITA 2007”;
- (ii) in paragraph (a) for “sections 380 and 381” substitute “sections 64 and 72”;
- (iii) in paragraph (c) for “section 385” substitute “section 83”;
- (iv) in paragraph (d) for “sections 388 and 389” substitute “section 89”;
- (b) in sub-paragraph (2)—
- (i) omit “of the Act of 1988”;
- (ii) in paragraph (a) after “Chapter I of Part VII” insert “of the Act of 1988 and Chapters 2 and 3 of Part 3 and sections 457, 458 and 459 of ITA 2007”;
- (iii) in paragraph (b) for “section 353” substitute “section 383 of ITA 2007”;
- (iv) omit paragraph (c);
- (v) in paragraph (d) for “section 390” substitute “sections 88 and 94 of ITA 2007”;
- (c) in sub-paragraph (4) for “total income” substitute “net income”;
- (d) in sub-paragraph (5)—
- (i) omit paragraph (a);
- (ii) in paragraph (b) for “section 353 of that Act” substitute “section 383 of ITA 2007”.
- (4) In paragraph 9(4) for “section 832 of the Act of 1988” substitute “section 989 of ITA 2007”.

Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7)

- 291 The Social Security Contributions and Benefits (Northern Ireland) Act 1992 is amended as follows.
- 292 In section 4A(3)(i)(i) (earnings of workers supplied by service companies etc) for “section 839 of the Income and Corporation Taxes Act 1988” substitute “section 993 of the Income Tax Act 2007”.
- 293 (1) Amend Schedule 2 (Schedule 2 to the Social Security Contributions and Benefits Act 1992: levy of Class 4 contributions with income tax) as follows.
- (2) In paragraph 1 after paragraph (ab) insert—
- “(ac) “ITA 2007” means the Income Tax Act 2007;”.

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- (3) In paragraph 3—
 - (a) in sub-paragraph (1)—
 - (i) for “the Act of 1988” substitute “ ITA 2007 ”,
 - (ii) in paragraph (a) for “sections 380 and 381” substitute “ sections 64 and 72 ”,
 - (iii) in paragraph (c) for “section 385” substitute “ section 83 ”, and
 - (iv) in paragraph (d) for “sections 388 and 389” substitute “ section 89 ”,
 - (b) in sub-paragraph (2)—
 - (i) omit “of the Act of 1988”,
 - (ii) in paragraph (a) after “Chapter I of Part VII” insert “ of the Act of 1988 and Chapters 2 and 3 of Part 3 and sections 457, 458 and 459 of ITA 2007 ”,
 - (iii) in paragraph (b) for “section 353” substitute “ section 383 of ITA 2007 ”,
 - (iv) omit paragraph (c), and
 - (v) in paragraph (d) for “section 390” substitute “ sections 88 and 94 of ITA 2007 ”,
 - (c) in sub-paragraph (4) for “total income” substitute “ net income ”,
 - (d) in sub-paragraph (5)—
 - (i) omit paragraph (a), and
 - (ii) in paragraph (b) for “section 353 of that Act” substitute “ section 383 of ITA 2007 ”.
- (4) In paragraph 9(4) for “section 832 of the Act of 1988” substitute “ section 989 of ITA 2007 ”.

Taxation of Chargeable Gains Act 1992 (c. 12)

294 The Taxation of Chargeable Gains Act 1992 is amended as follows.

^{F95}295

Textual Amendments
F95 Sch. 1 para. 295 omitted (21.7.2008 with effect in accordance with Sch. 2 para. 22 of the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 2 para. 21(k)**

^{F96}296

Textual Amendments
F96 Sch. 1 para. 296 omitted (21.7.2008 with effect in accordance with Sch. 2 para. 22 of the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 2 para. 21(k)**

297 For section 11 (visiting forces, agents-general etc) substitute—

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“11 Visiting forces and official agents

- (1) If section 833 of ITA 2007 (visiting forces and staff of designated allied headquarters) applies to an individual throughout a period, the period is not treated for capital gains tax purposes as—
 - (a) a period of residence in the United Kingdom, or
 - (b) creating a change of the individual's residence or domicile.
 - (2) If an individual is entitled to immunity from income tax by virtue of section 841 of ITA 2007 (which provides immunity from income tax for official agents of Commonwealth countries or the Republic of Ireland etc), the individual is entitled to the same immunity from capital gains tax as that to which a member of the staff of a mission is entitled under the Diplomatic Privileges Act 1964.
 - (3) “A member of the staff of a mission” is to be read in accordance with the Diplomatic Privileges Act 1964.”
- 298 In section 16(1) (computation of losses) for “section 72 of the Finance Act 1991” substitute “ sections 261B, 261D and 263ZA ”.
- 299 In section 37 (consideration chargeable to tax on income) at the end insert—
- “(5) If—
- (a) because section 759(4) or (6) of ITA 2007 applies, the person charged to tax under Chapter 3 of Part 13 of that Act (transactions in land) is a person other than the person (“A”) by whom the gain was realised, and
 - (b) the income tax has been paid,
- for the purposes of this section the amount charged to that tax is regarded as having been charged as the income of A.
- (6) If—
- (a) because section 777(5) of that Act applies, the person charged to tax under Chapter 4 of Part 13 of that Act (sales of occupation income) is a person other than the person (“B”)—
 - (i) for whom the capital amount was obtained, or
 - (ii) in the case of income treated as arising under section 779 of that Act, by whom the property or right was sold or realised, and
 - (b) the income tax has been paid,
- for the purposes of this section the amount charged to that tax is regarded as having been charged as the income of B.
- (7) In subsection (6) “capital amount” has the same meaning as in Chapter 4 of Part 13 of that Act (sales of occupation income) (see section 777(7) of that Act).”
- 300 In section 39 (exclusion of expenditure by reference to tax on income) after subsection (3) insert—
- “(4) If—

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- (a) because section 759(4) or (6) of ITA 2007 applies, the person charged to tax under Chapter 3 of Part 13 of that Act (transactions in land) is a person other than the person (“A”) by whom the gain was realised, and
- (b) the income tax has been paid,
- for the purposes of this section the amount charged to that tax is regarded as having been charged as the income of A.”

^{F97}301

Textual Amendments

F97 Sch. 1 para. 301 omitted (21.7.2008 with effect in accordance with Sch. 2 para. 22 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), **Sch. 2 para. 21(k)**

^{F98}302

Textual Amendments

F98 Sch. 1 para. 302 omitted (15.3.2018) by virtue of [Finance Act 2018 \(c. 3\)](#), **Sch. 10 para. 20(4)**

- 303 In section 98(2) (power to obtain information for purposes of sections 87 to 90)—
- (a) for the words from the beginning to “745(1)” substitute “ Sections 748(3) to (5), 749 and 750 of ITA 2007 shall have effect in relation to subsection (1) above as they have effect in relation to section 748(1) and (2) of that Act ”, and
- (b) in paragraph (a) for “Chapter III of Part XVII of the Taxes Act” substitute “ Chapter 2 of Part 13 of that Act ”.
- 304 In section 101B(1)(a) (transfer of a company's assets to VCT), for “section 842AA of the Taxes Act” substitute “ Part 6 of ITA 2007 ”.
- 305 In section 101C(7) (transfer within group to VCT), for “section 842AA of the Taxes Act” substitute “ Part 6 of ITA 2007 ”.
- 306 (1) Amend section 105A (shares acquired on the same day: elections for alternative treatment) as follows.
- (2) In subsection (4)—
- (a) after “Chapter 3 of Part 7 of the Taxes Act” insert “ , relief under Part 5 of ITA 2007 ”,
- (b) after “section 299 of the Taxes Act” insert “ or section 246 of ITA 2007 ”,
- (c) for “of that Act” substitute “ of the Taxes Act or subsection (3) of section 246 of ITA 2007 ”, and
- (d) for “that section” substitute “ section 299 of the Taxes Act or subsection (4) of section 246 of ITA 2007 ”.
- (3) In subsection (7)—
- (a) after “Chapter 3 of Part 7 of the Taxes Act” insert “ or relief under Part 5 of ITA 2007 ”,
- (b) for “that Act” substitute “ the Taxes Act or section 245 of ITA 2007 ”, and
- (c) after “that Chapter” insert “ or relief under that Part ”.

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(4) After subsection (8) insert—

“(9) In this section references to Part 5 of ITA 2007 or any provision of that Part are to a Part or provision that applies only in relation to shares issued after 5 April 2007.”

307 In section 108(1)(a) (identification of relevant securities) for “section 710 of the Taxes Act” substitute “Chapter 2 of Part 12 of ITA 2007 (accrued income profits)”.

308 (1) Amend section 119 (transfer of securities subject to the accrued income scheme) as follows.

(2) For subsections (1) to (5) substitute—

“(1) Where there is a transfer of securities within the meaning of Chapter 2 of Part 12 of ITA 2007 (accrued income profits)—

(a) if a payment is treated as made to the transferor under section 632 of that Act or by the transferor under section 633 of that Act, section 37 shall be disregarded in computing the gain accruing on the disposal concerned;

(b) if a payment is treated as made by the transferee under section 632 of that Act or to the transferee under section 633 of that Act, section 39 shall be disregarded in computing the gain accruing to the transferee if he disposes of the securities;

but subsections (2) and (3) below shall apply.

(2) Where the securities are transferred with accrued interest (within the meaning of that Chapter)—

(a) if a payment is treated as made to the transferor under section 632 of ITA 2007, an amount equal to the amount of that payment shall be excluded from the consideration mentioned in subsection (8) below;

(b) if a payment is treated as made by the transferee under that section, an amount equal to the amount of that payment shall be excluded from the sums mentioned in subsection (9) below.

(3) Where the securities are transferred without accrued interest (within the meaning of that Chapter)—

(a) if a payment is treated as made by the transferor under section 633 of ITA 2007, an amount equal to the amount of that payment shall be added to the consideration mentioned in subsection (8) below;

(b) if a payment is treated as made to the transferee under that section, an amount equal to the amount of that payment shall be added to the sums mentioned in subsection (9) below.

(3A) Subsections (3B) and (3C) below apply where there is a transfer of variable rate securities (within the meaning of that Chapter) and—

(a) the transferor is treated as making accrued income profits under section 630(2) of ITA 2007, or

(b) a payment is treated as made to the transferor under section 635 of that Act.

(3B) Section 37 shall be disregarded in computing the gain accruing on the disposal concerned.

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- (3C) An amount equal to the amount of the profits or payment shall be excluded from the consideration mentioned in subsection (8) below.
- (4) Where there is a transfer of securities with unrealised interest (within the meaning of Chapter 2 of Part 12 of ITA 2007)—
- (a) if section 630 of that Act applies or a payment is treated as made to the transferor under section 634 of that Act, section 37 shall be disregarded in computing the gain accruing on the disposal concerned, but the relevant amount shall be excluded from the consideration mentioned in subsection (8) below;
 - (b) if section 681 of that Act applies, section 39 shall be disregarded in computing the gain accruing on the disposal concerned, but the relevant amount shall be excluded from the sums mentioned in subsection (9) below.
- (5) In subsection (4) above “the relevant amount” means an amount equal to—
- (a) if paragraph (b) below does not apply, the amount of the unrealised interest in question (within the meaning of Chapter 2 of Part 12 of ITA 2007);
 - (b) if section 660 of that Act applies—
 - (i) in a case falling within subsection (4)(a) above, the amount taken, by virtue of section 660 or 661 of that Act (as the case may be), to be the unrealised interest value for the purposes of section 660(2) or (3) of that Act;
 - (ii) in a case falling within subsection (4)(b) above, the amount of income that is exempt from liability to income tax under section 681 of that Act.”
- (3) In subsection (6) for the words from “as if” to the end substitute “as if for “ is treated as made ”, in each place where it occurs, there were substituted “would, if the disposal were a transfer, be treated as made”.”
- (4) For subsection (7) substitute—
- “(7) Where there is a disposal of securities for the purposes of this Act which is not a transfer (within the meaning of Chapter 2 of Part 12 of ITA 2007) but, if it were such a transfer, a payment would be treated as made under section 632 or 633 of that Act, the securities shall be treated—
- (a) for the purposes of subsection (6) above, as transferred on the day of the disposal, and
 - (b) for the purposes of subsections (2) and (3) above, as transferred with accrued interest if, had the disposal been a transfer within the meaning of that Chapter, it would have been a transfer with accrued interest and as transferred without accrued interest if, had the disposal been such a transfer, it would have been a transfer without accrued interest.
- (7A) In relation to any securities which by virtue of subsection (7B) below are treated for the purposes of this subsection as having been transferred, subsection (3A) above shall have effect as if—
- (a) for “is treated as making” there were substituted “ would, if the disposal were a transfer, be treated as making ”, and

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(b) for “is treated as made” there were substituted “ would, if the disposal were a transfer, be treated as made ”.

(7B) Where there is a disposal of securities for the purposes of this Act which is not a transfer (within the meaning of Chapter 2 of Part 12 of ITA 2007) but, if it were such a transfer, the transferor would be treated as making accrued income profits under section 630(2) of that Act in respect of a transfer of variable rate securities or a payment would be treated as made under section 635 of that Act—

(a) the securities shall be treated, for the purposes of subsection (7A) above, as transferred on the day of the disposal, and

(b) the transfer shall be treated, for the purposes of subsection (3A) above, as a transfer of variable rate securities.”

(5) In subsection (10) for the words from “a person is treated”, in the first place where it occurs, to “(determined under that section)”, in the first place it occurs, substitute “ a payment is treated as made to a person under section 632 or 635 of ITA 2007, or a person is treated as making accrued income profits under section 630(2) of that Act in respect of a transfer of variable rate securities, an amount equal to the amount of the payment or profits ”.

(6) In the full-out words of subsection (10) for the words from “a person is treated” to “(determined under that section)” substitute “ a payment is treated as made by a person under section 633 of that Act an amount equal to the amount of the payment ”.

309 After section 125 insert—

“Share loss relief

125A Effect of share loss relief

(1) If loss relief under section 573 of the Taxes Act or Chapter 6 of Part 4 of ITA 2007 (“share loss relief”) is obtained in respect of a loss or any part of a loss, no deduction is to be made in respect of the loss or (as the case may be) the part under this Act.

(2) If a claim is made for share loss relief in respect of a loss accruing on the disposal of shares, section 30 has effect in relation to the disposal as if for the references in subsections (1)(b) and (5) to a tax-free benefit there were substituted references to any benefit whether tax-free or not.

(3) All such adjustments of corporation tax on chargeable gains or capital gains tax are to be made, whether by way of assessment or by way of discharge or repayment of tax, as may be required in consequence of—

(a) share loss relief being obtained in respect of an allowable loss, or

(b) such relief not being obtained in respect of the whole or part of such a loss in respect of which a claim is made.”

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Textual Amendments

F99 Sch. 1 para. 310 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of Finance Act 2013 (c. 29), Sch. 12 para. 15(3)

- 311 (1) Amend section 150A (enterprise investment schemes) as follows.
- (2) In subsection (2) after “section 312 (1A)(a) of the Taxes Act” insert “ or section 159(2) of ITA 2007 ”.
- (3) In subsection (3) for paragraphs (a), (aa) and (b) substitute—
- “(a) an individual's liability to income tax has been reduced (or treated by virtue of section 304 of the Taxes Act or section 245 of ITA 2007 (spouses and civil partners) as reduced) for any year of assessment under section 289A of the Taxes Act or section 158 of ITA 2007 in respect of any issue of shares,
 - (b) the amount of the reduction (“A”) is less than the amount (“B”) which is equal to tax at the savings rate for that year on the amount subscribed for the issue, and
 - (c) A is not found under section 289A(2)(b) of the Taxes Act or (as the case may require) is not within paragraph (b) solely by virtue of section 29(2) and (3) of ITA 2007.”.
- (4) In subsection (4) after “the Taxes Act” insert “ or as provided by section 246 of ITA 2007 ”.
- (5) In subsection (8B) for the words from “subsection (2)” to the end substitute “ section 306(2) of the Taxes Act or section 203(1) of ITA 2007 and in accordance with section 306 of the Taxes Act or sections 204 and 205 of ITA 2007 ”.
- (6) In subsection (8C) after “Taxes Act” insert “ or section 159(2) of ITA 2007 ”.
- (7) In subsection (8D)—
- (a) after “section 304A of the Taxes Act” insert “ or section 247 of ITA 2007 ”, and
 - (b) for paragraph (b) substitute—
 - “(b) the following—
 - (i) subsections (2)(b), (3) and (4) of section 304A of the Taxes Act and subsection (5) of that section so far as relating to section 306(2) of that Act, or
 - (ii) sections 247(3)(b), 248(2)(a) and 249 of ITA 2007,
 shall apply for the purposes of this section as they apply for the purposes of Chapter 3 of Part 7 of the Taxes Act or Part 5 of ITA 2007.”
- (8) In subsection (10A) for “the same meaning as in the Taxes Act” substitute “ the meaning given in section 989 of ITA 2007 ”.
- (9) In subsection (11)—
- (a) after “Taxes Act” insert “ or Part 5 of ITA 2007 ”, and
 - (b) after “that Chapter” insert “ or means shares that meet the requirements of section 173(2) of ITA 2007 ”.

Status: Point in time view as at 10/06/2021.

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(10) After subsection (12) insert—

“(13) References in this section to Part 5 of ITA 2007 or any provision of that Part are to a Part or provision that applies only in relation to shares issued after 5 April 2007.”

312 (1) Amend section 150B (enterprise investment scheme: reduction of relief) as follows.

(2) In subsection (1)—

(a) after “section 300(1A)(a) of the Taxes Act” insert “ or section 213(2)(a) of ITA 2007 ”, and

(b) for “that Act” substitute “ the Taxes Act or section 224(2)(a) of ITA 2007 ”.

(3) In subsection (6) for “Subsections (11) and (12)” substitute “ Subsections (11) to (13) ”.

F100313

Textual Amendments

F100 Sch. 1 para. 313 omitted (21.7.2008 with effect in accordance with Sch. 2 para. 56(3) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 2 para. 55\(i\)](#)

314 In section 151A(7) (venture capital trusts: reliefs) for “the meaning of the Taxes Act” substitute “ the meaning given in section 989 of ITA 2007 ”.

315 (1) Amend section 151B (VCTs: supplementary) as follows.

(2) In subsection (3)—

(a) in paragraph (a) for “been given” substitute “ obtained ” and for “Part 1 of Schedule 15B to the Taxes Act” substitute “ Chapter 2 of Part 6 of ITA 2007 ”, and

(b) in paragraphs (b) and (c) for “been given” substitute “ obtained ” and for “that Part of that Schedule” substitute “ that Chapter of that Part ”.

(3) In subsection (6)(b) for “section 842AA(8) of the Taxes Act” substitute “ section 281(3) of ITA 2007 ”.

(4) In subsection (8)(b) for “given” substitute “ obtained ” and for “Part 1 of Schedule 15B to the Taxes Act” substitute “ Chapter 2 of Part 6 of ITA 2007 ”.

316 After section 151B insert—

“151BA CITR: identification of securities or shares on a disposal

(1) This section applies for the purpose of identifying the securities or shares disposed of in any case where—

(a) an individual or company (“the investor”) disposes of part of a holding of securities or shares (“the holding”), and

(b) the holding includes securities or shares to which CITR is attributable in respect of one or more years of assessment or accounting periods that have been held by the investor continuously from the time they were issued until the disposal.

Status: Point in time view as at 10/06/2021.

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- (2) Any disposal by the investor of securities or shares included in the holding which have been acquired by the investor on different days is treated as relating to those acquired on an earlier day rather than to those acquired on a later day.
- (3) If there is a disposal by the investor of securities or shares included in the holding which have been acquired by the investor on the same day, any of those securities or shares—
- (a) to which CITR is attributable, and
 - (b) which have been held by the investor continuously from the time they were issued until the time of disposal,
- are treated as disposed of after any other securities or shares included in the holding which were acquired by the investor on that day.
- (4) For the purposes of this section a holding of securities is any number of securities of a company which—
- (a) carry the same rights,
 - (b) were issued under the same terms, and
 - (c) are held by the investor in the same capacity.
- It does not matter for this purpose that the number of the securities grows or diminishes as securities carrying those rights and issued under those terms are acquired or disposed of.
- (5) For the purposes of this section a holding of shares is any number of shares in a company which—
- (a) are of the same class, and
 - (b) are held by the investor in the same capacity.
- It does not matter for this purpose that the number of the shares grows or diminishes as shares of that class are acquired or disposed of.
- (6) Chapter 1 of Part 4 (share pooling, etc) has effect subject to this section.
- (7) Sections 104 to 107 (which make provision for the identification of securities and shares on a disposal) do not apply to securities or shares to which CITR is attributable.
- (8) In a case to which section 127 (equation of original shares and new holding) applies, shares included in the new holding are treated for the purposes of subsections (2) and (3) as acquired when the original shares were acquired.
- (9) In subsection (8)—
- (a) the reference to section 127 includes a reference to that section as it is applied by virtue of any enactment relating to chargeable gains, and
 - (b) “original shares” and “new holding” have the same meaning as in section 127, or (as the case may be) that section as applied by virtue of the enactment in question.
- (10) In this section and sections 151BB and 151BC—
- (a) if the investor is an individual—
 - (i) “CITR” has the meaning given by section 333 of ITA 2007,

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- (ii) references to CITR being attributable to securities, shares or debentures are to be read in accordance with section 357 of that Act, and
- (iii) references to securities, shares or debentures having been held by the investor continuously are to be read in accordance with section 380 of that Act,
- (b) if the investor is a company—
 - (i) “CITR” means relief under Part 5 of Schedule 16 to the Finance Act 2002,
 - (ii) references to CITR being so attributable are to be read in accordance with paragraph 26 of that Schedule, and
 - (iii) references to securities, shares or debentures having been held by the investor continuously are to be read in accordance with paragraph 49 of that Schedule.”

317 After section 151BA insert—

“151BB CITR: rights issues etc

- (1) If—
 - (a) an individual or company (“the investor”) holds shares in the CDFI which are of the same class and held in the same capacity (“the existing holding”),
 - (b) there is a reorganisation affecting the existing holding as a result of an allotment which—
 - (i) falls within section 126(2)(a) (an allotment of shares or debentures in respect of and in proportion to an original holding), and
 - (ii) is not an allotment of corresponding bonus shares,
 - (c) immediately after the reorganisation, CITR is attributable to the shares included in the existing holding or the shares or debentures allotted in respect of those shares, in respect of one or more years of assessment or accounting periods, and
 - (d) if CITR is attributable to the shares included in the existing holding at that time, those shares have been held by the investor continuously from the time they were issued until the reorganisation,

sections 127 to 130 (treatment of share capital following a reorganisation) do not apply in relation to the existing holding.

- (2) Section 116(10) (reorganisations, conversions and reconstructions) does not apply in any case where the old asset consists of shares held (in the same capacity) by the investor—
 - (a) that have been held by the investor continuously from the time they were issued until the relevant transaction, and
 - (b) to which CITR is attributable immediately before that transaction.

In this subsection “old asset” and “the relevant transaction” have the meaning given by section 116.

- (3) For the purposes of subsection (1)—
 - “corresponding bonus shares” means bonus shares that—

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- (a) are issued in respect of shares included in the existing holding, and
 - (b) are in the same company, are of the same class, and carry the same rights as, those shares,
- “reorganisation” has the meaning given in section 126.
- (4) The following provisions of this Act have effect subject to this section—
 section 116 (reorganisations, conversions and reconstructions);
 Chapter 2 of Part 4 (reorganisation of share capital, conversion of securities etc).
- (5) In this section “the CDFI” is to be read—
- (a) if the investor is an individual, in accordance with section 334(2) of ITA 2007,
 - (b) if the investor is a company, in accordance with paragraph 1(2) of Schedule 16 to the Finance Act 2002.”
- 318 After section 151BB insert—

“151BC CITR: company reconstructions etc

- (1) If—
- (a) an individual or company (“the investor”) holds shares in or debentures of a company (“company A”),
 - (b) there is a reconstruction or amalgamation affecting that holding (“the existing holding”),
 - (c) immediately before the reconstruction or amalgamation, CITR is attributable to the shares or debentures included in the existing holding in respect of one or more years of assessment or accounting periods, and
 - (d) the shares or debentures included in the existing holding have been held by the investor continuously from the time they were issued until the reconstruction or amalgamation,
- sections 135 and 136 (share exchanges and company reconstructions) do not apply in respect of the existing holding.
- (2) Subsection (1)(a) applies only if the shares or debentures are held by the investor in the same capacity.
- (3) For the purposes of subsection (1) a “reconstruction or amalgamation” means an issue by a company of shares in or debentures of that company in exchange for or in respect of shares in or debentures of company A.
- (4) The following provisions of this Act have effect subject to this section—
 section 116 (reorganisations, conversions and reconstructions),
 Chapter 2 of Part 4 (reorganisation of share capital, conversion of securities etc).
- (5) The investor is treated as disposing of any securities or shares which but for subsection (1) the investor—
- (a) would be treated as exchanging for other securities or shares by virtue of section 136, or

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- (b) would be so treated but for section 137(1) (which restricts section 136 to genuine reconstructions).”
- 319 In section 151C(5) (strips: manipulation of price: associated payment giving rise to loss) for “section 709(1)” substitute “ section 840ZA ”.
- 320 In section 151D(5) (corporate strips: manipulation of price: associated payment giving rise to loss) for “section 709(1)” substitute “ section 840ZA ”.
- 321 In section 161 (stock in trade: appropriations to and from stock) after subsection (4) insert—
- “(5) If—
- (a) any person is charged to income tax under section 755 of ITA 2007 (charge to tax from transactions in land) on the realisation of a gain because the condition in section 756(3)(d) is met, and
- (b) the gain is calculated on the basis that any property was appropriated as trading stock,
- the property shall be treated on that basis also for the purposes of this section.”
- 322 In section 169D(1) (gifts to settlor-interested settlements: exceptions) for “691(2) of the Taxes Act (certain income of maintenance funds for historic buildings not to be income of settlor etc)” substitute “ 508 of ITA 2007 (trustees' election in respect of income arising from heritage maintenance property) ”.
- 323 In section 226B(1) (private residence relief: special cases) for “691(2) of the Taxes Act (certain income of maintenance funds for historic buildings not to be income of settlor etc)” substitute “ 508 of ITA 2007 (trustees' election in respect of income arising from heritage maintenance property) ”.
- 324 In section 231(1) and (3) (shares: special provision) after “Taxes Act” insert “ or Part 5 of ITA 2007 ”.
- 325 In section 241(3)(a) (furnished holiday lettings) for the words from “the Taxes Act)” to “that Act)” substitute “ the Income Tax Acts), or any Schedule A business (within the meaning of the Taxes Act) ”.
- 326 (1) Amend section 256 (charities) as follows.
- (2) In subsection (1) for the words “subsection (2) below” substitute “ the following provisions of this section ”.
- (3) After subsection (2) insert—
- “(3) Subsection (4) below applies if a charitable trust has a non-exempt amount under section 540 of ITA 2007 for a year of assessment.
- (4) Gains accruing to the charitable trust in the year of assessment are treated as being, and always having been, chargeable gains so far as they are attributed under section 256A to the non-exempt amount.
- (5) For restrictions on exemptions under Part 10 of ITA 2007 (special rules about charitable trusts etc) see section 539 of that Act.”
- 327 After section 256 insert—

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“256A Attributing gains to the non-exempt amount

- (1) This section applies if a charitable trust has a non-exempt amount under section 540 of ITA 2007 for a year of assessment.
- (2) Attributable gains of the charitable trust for the year of assessment may be attributed to the non-exempt amount but only so far as the non-exempt amount has not been used up.
- (3) The non-exempt amount can be used up (in whole or in part) by—
 - (a) attributable gains being attributed to it under this section, or
 - (b) attributable income being attributed to it under section 541 of ITA 2007.
- (4) The whole of the non-exempt amount must be used up by—
 - (a) attributable gains being attributed to the whole of it under this section,
 - (b) attributable income being attributed to the whole of it under section 541 of ITA 2007, or
 - (c) a combination of attributable gains being attributed to some of it under this section and attributable income being attributed to the rest of it under section 541 of ITA 2007.
- (5) See section 256B for the way in which gains are to be attributed to the non-exempt amount under this section.
- (6) In this section and section 256B a charitable trust's “attributable income”, and “attributable gains”, for a tax year have the same meaning as in Part 10 of ITA 2007 (see section 540 of that Act).

256B How gains are attributed to the non-exempt amount

- (1) This section is about the ways in which attributable gains can be attributed to a non-exempt amount under section 256A.
- (2) The trustees of the charitable trust may specify the attributable gains that are to be attributed to the non-exempt amount.
- (3) A specification under subsection (2) is made by notice to an officer of Revenue and Customs.
- (4) Subsection (6) applies if—
 - (a) an officer of Revenue and Customs requires the trustees of a charitable trust to make a specification under this section, and
 - (b) the trustees have not given notice under subsection (3) of the specification before the end of the required period.
- (5) The required period is 30 days beginning with the day on which the officer made the requirement.
- (6) An officer of Revenue and Customs may determine the attributable gains that are to be attributed to the non-exempt amount.”

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“(2A) Subsection (2B) applies if relief is available under Chapter 3 of Part 8 of ITA 2007 or section 587B of the Taxes Act (gifts of shares, securities and real property to charities) in relation to the disposal of a qualifying investment to a charity (whether or not a claim for relief is actually made).

(2B) The consideration for which the charity's acquisition of the qualifying investment is treated by virtue of subsection (2) above as having been made—

- (a) is reduced by the relievable amount if relief in relation to the disposal is available only under Chapter 3 of Part 8 of ITA 2007,
- (b) is reduced by the relevant amount if relief in relation to the disposal is available only under section 587B of the Taxes Act,
- (c) is reduced by the relievable amount if relief in relation to the disposal is available both under that Chapter and that section as a result of section 442 of ITA 2007 and section 587BA of the Taxes Act, or
- (d) is reduced to nil if that consideration is less than the amount referred to in paragraph (a), (b) or (c) (as the case may be).

(2C) In subsections (2A) and (2B)—

“qualifying investment” has the same meaning as in Chapter 3 of Part 8 of ITA 2007 (see section 432 of that Act),

“relevant amount” has the same meaning as in section 587B of the Taxes Act, and

“relievable amount” has the same meaning as in Chapter 3 of Part 8 of ITA 2007 (see section 434 of that Act).”

329 After section 261A insert—

“Deduction of trading losses or post-cessation expenditure etc

261B Treating trade loss etc as CGT loss

(1) A person may make a claim under this section if—

- (a) relief is available to the person under section 64 or 128 of ITA 2007 (trade or employment loss relief against general income) for a tax year in relation to an amount of loss, and
- (b) the person makes a claim under that section for the amount to be deducted in calculating the person's net income for the tax year.

(2) A person may also make a claim under this section if—

- (a) relief is available to the person as mentioned in subsection (1)(a) for a tax year in relation to an amount of loss, but
- (b) the person's total income for the tax year is nil or does not include any income from which the amount can be deducted.

(3) A claim under this section is for determining so much of the amount of the loss (“the relevant amount”) as—

- (a) is not deducted in calculating the person's net income for the tax year, and

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- (b) has not already been taken into account for the purposes of any relief for any other tax year or any year of assessment (whether under ITA 2007, this section or otherwise).
- (4) When the relevant amount can no longer be varied—
 - (a) by the Commissioners on appeal, or
 - (b) on the order of a court,
 it is treated for the purposes of capital gains tax as an allowable loss accruing to the person in the year of assessment corresponding to the tax year.
- (5) But so much of the relevant amount as exceeds the maximum amount (see section 261C) is not to be treated for the purposes of capital gains tax as an allowable loss.
- (6) The excess may, however, be used in giving effect to any other loss relief under Part 4 of ITA 2007 (depending on the terms of the relief).
- (7) The amount treated as an allowable loss under this section—
 - (a) is no longer to be regarded as an amount available for income tax relief, and
 - (b) is not to be deductible from chargeable gains accruing to a person in any year of assessment that begins after the person has permanently ceased to carry on the trade, profession, vocation, employment or office in which the loss was made.
- (8) A claim under this section must be made on or before the first anniversary of the normal self-assessment filing date for the tax year in which the loss was made in the trade, profession, vocation, employment or office.
- (9) In this section “normal self-assessment filing date”, “tax year” and “total income” have the same meaning as in the Income Tax Acts (see section 989 of ITA 2007).

261C Meaning of “the maximum amount” for purposes of section 261B

- (1) For the purposes of section 261B “the maximum amount” is the amount on which the person would be chargeable to capital gains tax for the year of assessment if—
 - (a) the provisions mentioned below were ignored, and
 - (b) no account were taken of the event mentioned below.
- (2) The provisions are—
 - (a) section 2A (taper relief),
 - (b) section 3(1) (annual exempt amount), and
 - (c) section 261B.
- (3) The event is any event—
 - (a) which occurs after the date on which the relevant amount (see section 261B(3)) can no longer be varied by the Commissioners on appeal or on the order of a court, and
 - (b) in consequence of which the amount chargeable to capital gains tax is reduced as a result of an enactment relating to capital gains tax.

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261D Treating excess post-cessation trade or property relief as CGT loss

- (1) A person may make a claim under this section if—
 - (a) relief is available to the person under section 96 or 125 of ITA 2007 (post-cessation trade or property relief) for a tax year in relation to an amount, and
 - (b) the person makes a claim under that section to deduct the amount in calculating the person's net income for the tax year.
- (2) A person may also make a claim under this section if—
 - (a) relief is available to the person as mentioned in subsection (1)(a) for a tax year in relation to an amount, but
 - (b) the person's total income for the tax year is nil.
- (3) A claim under this section is for treating for the purposes of capital gains tax so much of the amount as is not deducted in calculating the person's net income for the tax year (“the relevant amount”) as an allowable loss accruing to the person in the year of assessment corresponding to the tax year.
- (4) But so much of the relevant amount as exceeds the maximum amount (see section 261E) is not to be treated for the purposes of capital gains tax as an allowable loss.
- (5) The relevant amount is no longer to be regarded as an amount available for income tax relief.
- (6) A claim under this section must be made on or before the first anniversary of the normal self-assessment filing date for the tax year mentioned in subsection (1) or (2) (as the case may be).
- (7) In this section “normal self-assessment filing date”, “tax year” and “total income” have the same meaning as in the Income Tax Acts (see section 989 of ITA 2007).

261E Meaning of “the maximum amount” for purposes of section 261D

- (1) For the purposes of section 261D “the maximum amount” is the amount on which the person would be chargeable to capital gains tax for the year of assessment if the following were ignored.
- (2) The matters to be ignored are—
 - (a) any allowable losses falling to be carried forward to that year from a previous year for the purposes of section 2(2),
 - (b) section 3(1) (annual exempt amount), and
 - (c) any relief under section 261B or 261D.”

330 After section 261E insert—

“Repurchase price under repos

261F Deemed manufactured payments: effect on repurchase price

- (1) This section applies if —

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- (a) the repurchase price of UK shares, UK securities or overseas securities is treated by section 604(2), (4) or (5) of ITA 2007 (deemed increase in repurchase price: repos and options) as increased for the purposes of section 607 of that Act (treatment of price differences under repos),
 - (b) condition A or B is met, and
 - (c) section 263A does not apply.
- (2) Condition A is that, as a result of the increase, there is no difference for the purposes of section 607 of that Act between the sale price and the repurchase price.
- (3) Condition B is that, as a result of an exception in section 608 of that Act, section 607 of that Act does not apply.
- (4) The deemed increase of the repurchase price also has effect for capital gains tax purposes.
- (5) Expressions used in this section and in section 605 of ITA 2007 (deemed increase in repurchase price: other income tax purposes) have the same meanings in this section as in that section.”

331 After section 261F insert—

“261G Price differences under repos: effect on repurchase price

- (1) Subsections (2) and (3) apply if—
- (a) section 607 of ITA 2007 (treatment of price differences under repos) applies,
 - (b) an amount is treated under that section as a payment of interest, and
 - (c) section 263A does not apply.
- (2) If the repurchase price is more than the sale price, the repurchase price is treated for capital gains tax purposes as reduced by the amount of the payment of interest.
- (3) If the sale price is more than the repurchase price, the repurchase price is treated for capital gains tax purposes as increased by the amount of the payment of interest.
- (4) Expressions used in this section and in section 609 of ITA 2007 (additional income tax consequences of price differences under repos) have the same meanings in this section as in that section.”

332 After section 261G insert—

“261H Power to modify section 261G in non-arm's length case

- (1) The Treasury may by regulations provide for section 261G to apply with modifications if the exception in section 608(2) of ITA 2007 (agreement not at arm's length) would otherwise prevent it from applying.
- (2) Regulations under this section may make different provision for different cases.

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- (3) Regulations under this section may contain incidental, supplemental, consequential and transitional provision and savings.
 - (4) The incidental, supplemental, and consequential provision may include modifications of section 261F (deemed manufactured payments: effect on repurchase price).
 - (5) In this section “modifications” includes exceptions and omissions.
 - (6) Accordingly, the power in subsection (1) includes power to provide for any provision of section 261G not to apply in relation to the case mentioned in that subsection.”
- 333 (1) Amend section 263ZA (former employees: employment-related liabilities) as follows.
- (2) In subsection (1)(a)—
 - (a) for “from total income” substitute “ in calculating net income ”, and
 - (b) for “when computing a former employee's total income” substitute “ in calculating a former employee's net income ”.
 - (3) In subsection (1)(b) for “the total income” substitute “ the remaining total income ”.
 - (4) In subsection (2)(b) for “the total income” substitute “ the remaining total income ”.
 - (5) After subsection (2) insert—
 - “(2A) In this section “the remaining total income”, in relation to a tax year, means the former employee's total income for the tax year less reliefs already deducted for the tax year at Step 2 of the calculation in section 23 of ITA 2007 for the purpose of calculating the former employee's income tax liability.”
 - (6) In subsection (5)—
 - (a) in paragraph (d) for “against capital gains tax under section 72 of the Finance Act 1991” substitute “ under section 261B ”, and
 - (b) in paragraph (e) for “against capital gains tax under section 90(4) of the Finance Act 1995” substitute “ under section 261D ”.

^{F101}334

Textual Amendments
F101 Sch. 1 para. 334 repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 2\(14\)](#)

- 335^{F102}(1)
- ^{F102}(2)
- ^{F102}(3)
- ^{F102}(4)
- ^{F103}(5)
- ^{F104}(6)

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F104 (7)

F104 (8)

Textual Amendments

F102 Sch. 1 para. 335(1)-(4) omitted (1.1.2014) by virtue of Finance Act 2013 (c. 29), Sch. 1 para. 52, Sch. 29 para. 30

F103 Sch. 1 para. 335(5) omitted (21.7.2008 with effect in accordance with s. 63(2) of the amending Act) by virtue of Finance Act 2008 (c. 9), Sch. 23 para. 12

F104 Sch. 1 para. 335(6)-(8) omitted (1.1.2014) by virtue of Finance Act 2013 (c. 29), Sch. 1 para. 52, Sch. 29 para. 30

336 After section 263E insert—

“263F Power to modify repo provisions: non-standard repo cases

- (1) The Treasury may by regulations provide for—
 - (a) section 261F (deemed manufactured payments: effect on repurchase price),
 - (b) section 261G (price differences under repos: effect on repurchase price),
 - (c) section 263A (agreements for sale and repurchase of securities),
 - (d) section 263D (gains accruing to persons paying manufactured dividends), or
 - (e) any of those sections,
 to apply with modifications in relation to non-standard repo cases.
- (2) The power in subsection (1) to make provision for section 263A or 263D to apply with modifications is exercisable only so far as the section applies to cases falling within section 607 of ITA 2007 (treatment of price differences under repos).
- (3) A case is a non-standard repo case if—
 - (a) there is a repo in respect of securities,
 - (b) under the repo there has been a sale (“the original sale”) of the securities by the original owner to the interim holder, and
 - (c) any of conditions A to E is met in relation to the repo.
- (4) Condition A is that—
 - (a) the obligation to buy back the securities is not performed, or
 - (b) the option to buy them back is not exercised.
- (5) Condition B is that provision is made by or under an agreement for different or additional UK shares, UK securities or overseas securities to be treated as (or as included with) representative securities.
- (6) Condition C is that provision is made by or under an agreement for any UK shares, UK securities or overseas securities to be treated as not included with representative securities.

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- (7) Condition D is that provision is made by or under an agreement for the sale price or repurchase price to be decided or varied wholly or partly by reference to post-agreement fluctuations.
- (8) Condition E is that provision is made by or under an agreement for a person to be required, in a case where there are post-agreement fluctuations, to make a payment in the period—
 - (a) beginning immediately after the making of the agreement for the original sale, and
 - (b) ending when the repurchase price becomes due.
- (9) Expressions used in this section and in section 612 of ITA 2007 (powers to modify repo provisions: non-standard repo cases) have the same meanings in this section as in that section.”

337 After section 263F insert—

“263G Power to modify repo provisions: redemption arrangements

- (1) The Treasury may by regulations provide for—
 - (a) section 261F (deemed manufactured payments: effect on repurchase price),
 - (b) section 261G (price differences under repos: effect on repurchase price),
 - (c) section 263A (agreements for sale and repurchase of securities),
 - (d) section 263D (gains accruing to persons paying manufactured dividends), or
 - (e) any of those sections,to apply with modifications in relation to cases involving redemption arrangements.
- (2) The power in subsection (1) to make provision for section 263A or 263D to apply with modifications is exercisable only so far as the section applies to cases falling within section 607 of ITA 2007 (treatment of price differences under repos).
- (3) A case involves redemption arrangements if—
 - (a) arrangements, corresponding to those made in cases where there is a repo, are made by an agreement, or one or more related agreements, in relation to securities that are to be redeemed in the period after their sale,
 - (b) the securities are UK shares, UK securities or overseas securities, and
 - (c) the arrangements are such that the seller or a person connected with the seller (instead of being required to repurchase the securities or acquiring an option to do so) is granted rights in respect of the benefits that will result from the redemption.
- (4) Expressions used in this section and in section 613 of ITA 2007 (powers to modify repo provisions: redemption arrangements) have the same meanings in this section as in that section.”

338 After section 263G insert—

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“263H Sections 263F and 263G: supplementary provisions

- (1) Regulations under section 263F or 263G may make different provision for different cases.
- (2) Regulations under either section may contain incidental, supplemental, consequential and transitional provision and savings.
- (3) The incidental, supplemental and consequential provision may include—
 - (a) in the case of regulations about section 261G, modifications of section 261F, and
 - (b) in the case of regulations about section 263A or 263D, modifications of the operation of this Act in relation to cases where, by virtue of the regulations, any acquisition or disposal is excluded from those which are to be ignored for the purposes of capital gains tax.
- (4) In this section and sections 263F and 263G “modifications” includes exceptions and omissions.
- (5) Accordingly, a power in sections 263F and 263G to provide for a provision to apply with modifications in relation to a particular case includes power to provide for the provision not to apply in relation to that case.”

339 After section 263H insert—

“263I Powers about manufactured overseas dividends

- (1) The Treasury may by regulations make provision as mentioned in subsection (2) about prescribed cases where a person—
 - (a) pays or receives a manufactured overseas dividend as mentioned in section 581(1) of ITA 2007 (manufactured overseas dividends), or
 - (b) is treated as doing so for any purposes of Chapter 2 of Part 11 of that Act or regulations made under it (manufactured payments).
- (2) The regulations may provide for adjusting a relevant amount by reference to a provision which has effect under the law of a territory outside the United Kingdom.
- (3) A “relevant amount” is an amount which is treated for prescribed capital gains tax purposes as the amount paid or payable to a person in respect of a relevant transaction.
- (4) A “relevant transaction” is a sale, repurchase or other transfer of the overseas securities to which the manufactured overseas dividend relates.
- (5) In this section “prescribed” means prescribed in regulations under this section.
- (6) Subject to that, expressions used in this section and in section 582 of ITA 2007 (manufactured payments: powers about manufactured overseas dividends) have the same meanings in this section as in that section.”

340 (1) Amend section 271 (miscellaneous exemptions) as follows.

- (2) In subsection (3) for the words from “In this subsection” to the end substitute—

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“In this subsection—

“health service body” has the meaning given by section 519A of the Taxes Act, and

“local authority association” has the meaning given by section 1000 of ITA 2007.”

(3) After subsection (7) insert—

“(7A) Chargeable gains are exempt from tax if they accrue to a bank, or issue department of a bank, to which this subsection applies for the time being.

(7B) Her Majesty may by Order in Council direct that subsection (7A) applies to a bank or its issue department if it appears to Her Majesty that the bank—

- (a) is not resident in the United Kingdom, and
- (b) is entrusted by the government of a territory outside the United Kingdom with the custody of the territory's principal foreign exchange reserves.

(7C) No recommendation may be made to Her Majesty in Council to make an order under subsection (7B) unless a draft of the order has been laid before and approved by a resolution of the House of Commons.”

341 After section 285 insert—

“285A European Economic Interest Groupings

(1) The following rules about European Economic Interest Groupings apply for the purposes of charging tax in respect of chargeable gains—

Rule 1

A grouping is treated as acting as the agent of its members.

Rule 2

The activities of a grouping are treated as those of its members acting jointly.

Rule 3

Each member of a grouping is treated as having a share of the grouping's property, rights and liabilities.

Rule 4

Any trade or profession carried on by the grouping is treated as carried on in partnership by members of the grouping.

Rule 5

A person is to be regarded as acquiring or disposing of a share of the assets of the grouping not only where there is an acquisition or disposal of assets by the grouping while he is a member of it, but also where he becomes or ceases to be a member of a grouping or there is a change in his share of the property of the grouping.

Status: Point in time view as at 10/06/2021.

Changes to legislation: Income Tax Act 2007 is up to date with all changes known to be in force on or before 23 June 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. (See end of Document for details)

- (2) For the purposes of Rule 3, a member's share of any property, rights or liabilities of a grouping is determined according to the contract under which the grouping is established.
- (3) If the contract does not provide for this, the member's share is determined by reference to the share of the profits of the grouping to which the member is entitled under the contract.
- (4) If the contract does not provide for this either, the members are treated as having equal shares of the property, rights and liabilities of the grouping.
- (5) “European Economic Interest Grouping” means a European Economic Interest Grouping formed under Council Regulation (EEC) No 2137/85 of 25th July 1985, whether registered in Great Britain, Northern Ireland or elsewhere.”
- 342 (1) Amend section 288 (interpretation) as follows.
- (2) In subsection (1)—
- (a) in the definition of “allowable loss” after “16” insert “, 261B, 261D ”,
- (b) after the definition of “ITTOIA 2005” insert—
- ““ITA 2007” means the Income Tax Act 2007;”,
- (c) in the definition of “local authority” for “section 842A of the Taxes Act” substitute “ section 999 of ITA 2007 ”,
- (d) after the definition of “the Management Act” insert—
- ““net income” has the same meaning as in the Income Tax Acts (see section 989 of ITA 2007);”,
- (e) in the definition of “period of account” for “section 832(1) of the Taxes Act” substitute “ section 989 of ITA 2007 ”,
- (f) in the definition of “property investment LLP” for “section 842B of the Taxes Act” substitute “ section 1004 of ITA 2007 ”,
- (g) in the definition of “recognised stock exchange” for “section 841 of the Taxes Act” substitute “ section 1005 of ITA 2007 ”,
- (h) in the definition of “venture capital trust” for “the meaning given by section 842AA of the Taxes Act” substitute “ the same meaning as in Part 6 of ITA 2007 ”, and
- ^{F105}(i)
- (3) In subsection (2) for “section 833(2) of the Taxes Act” substitute “ section 989 of ITA 2007 ”.
- (4) In subsection (3) for “section 282 of the Taxes Act” substitute “ section 1011 of ITA 2007 ”.

Textual Amendments

F105 Sch. 1 para. 342(2)(i) omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 2 para. 102\(b\)](#)

^{F106}343

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F106 Sch. 1 para. 343 omitted (21.7.2008 with effect in accordance with Sch. 2 para. 56(3) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 2 para. 55\(i\)](#)

- 344 In paragraph 14 of Schedule 4A (deemed disposal of underlying assets where disposal of interest in settled property: exception) for “691(2) of the Taxes Act (certain income of maintenance funds for historic buildings not to be income of settlor etc)” substitute “ 508 of ITA 2007 (trustees' election in respect of income arising from heritage maintenance property) ”.
- 345 (1) Amend Schedule 5B (enterprise investment scheme: re-investment) as follows.
- (2) In paragraph 1(2) (application of Schedule)—
- (a) in paragraph (e) after “that Act)” insert “ , or the requirements of section 183 of ITA 2007, ”, and
- ^{F107}(b)
- (3) In paragraph 1A (failure of conditions of application)—
- ^{F108}(a)
- (b) in sub-paragraph (5) for “or section 310(2) of the Taxes Act” substitute “ , section 310(2) of the Taxes Act or section 241(3) of ITA 2007 ”, and
- (c) in sub-paragraph (7) after “Taxes Act” insert “ or section 236(1) of ITA 2007 ”.
- (4) In paragraph 4 (gains accruing on chargeable event)—
- (a) in sub-paragraph (4) after “Taxes Act” insert “ or Part 5 of ITA 2007 ” and after “that Chapter”, in each place where it occurs, insert “ or that Part ”,
- (b) in sub-paragraph (4A) after “Taxes Act” insert “ or Part 5 of ITA 2007 ”, after “that Chapter” insert “ or that Part ” and for “that Act” substitute “ the Taxes Act or section 245 of ITA 2007 ”, and
- (c) in sub-paragraph (4C) after “Taxes Act” insert “ or Part 5 of ITA 2007 ”.
- (5) In paragraph 6 (claims)—
- (a) in sub-paragraph (1) after “Taxes Act” insert “ or sections 202(1), 203(1) and 204 to 207 of ITA 2007 ” and for “that Act in respect of eligible shares” substitute “ the Taxes Act or Part 5 of ITA 2007 in respect of eligible or relevant shares ”,
- (b) in sub-paragraph (2) for “That section” substitute “ Section 306 ”, and
- (c) after that sub-paragraph insert—
- “(3) Sections 202(1), 203(1) and 204 to 207 of ITA 2007, as they so apply, shall have effect as if any reference to the requirements for the relief were a reference to the conditions for the application of this Schedule.”
- (6) In paragraph 7(1) (reorganisations)—
- (a) after “the Taxes Act” insert “ or Part 5 of ITA 2007 ”, and
- (b) after “that Chapter” insert “ or that Part ”.
- (7) In paragraph 8 (acquisition of share capital by new company)—

Status: Point in time view as at 10/06/2021.

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- (a) in sub-paragraph (1)(e)(ii) for “subsection (2) of section 306 of the Taxes Act” substitute “ section 306(2) of the Taxes Act or section 203(1) of ITA 2007 ” and for “that section” substitute “ section 306 of the Taxes Act or sections 204 and 205 of ITA 2007 ”,
 - (b) in sub-paragraph (5)(a) after “Taxes Act” insert “ or section 203(1) of ITA 2007 ”, and
 - (c) in sub-paragraph (7) after “Taxes Act” insert “ or section 185 of ITA 2007 ”.
- (8) In paragraph 9 (other reconstructions and amalgamations)—
- (a) in sub-paragraph (1) after “Taxes Act” insert “ or Part 5 of ITA 2007 ”,
 - (b) in sub-paragraph (3) after “Taxes Act” insert “ or Part 5 of ITA 2007 ”, and
 - (c) in sub-paragraph (4)(b) for “subsection (2) of section 306 of the Taxes Act” substitute “ section 306(2) of the Taxes Act or section 203(1) of ITA 2007 ” and for “that section” substitute “ section 306 of the Taxes Act or sections 204 and 205 of ITA 2007 ”.
- (9) In paragraph 11(5) (pre-arranged exits)—
- (a) after “trading group” insert “ (a) ”, and
 - (b) at the end insert “, or
 - (b) is a reference to a company that meets the trading requirement in section 181(2)(b) of ITA 2007.”
- (10) In paragraph 13(5) (value received by investor) after “Taxes Act” insert “ or Chapter 2 of Part 5 of ITA 2007 ”.
- (11) In paragraph 13C (provision supplemental to paragraph 13B)—
- (a) in sub-paragraph (3) for “Sub-paragraph (4) below” substitute “ This sub-paragraph ”, and
 - (b) for sub-paragraph (4) substitute—
 - “(4) Where either of the following applies—
 - (a) sub-paragraph (3) above, and
 - (b) section 223(3) of ITA 2007 (which makes corresponding provision in relation to EIS relief under Part 5 of that Act),
 the person who subscribes for the shares shall not by virtue of his subscription for those shares or any other shares in the same issue be treated as making a qualifying investment for the purposes of this Schedule.”
- (12) In paragraph 14(3) (value received by other persons)—
- (a) after “Taxes Act”, in the first place where it occurs, insert “ or Part 5 of ITA 2007 ”,
 - (b) for “that Act” substitute “ the Taxes Act or section 209 or 216(2)(a) of ITA 2007 ”, and
 - (c) after “section 300 of the Taxes Act” insert “ or 214 of ITA 2007 ”.
- (13) In paragraph 16 (information)—
- (a) in sub-paragraph (4)—
 - (i) after “Taxes Act”, in the first place where it occurs, insert “ or section 203(1) of ITA 2007 ”, and
 - (ii) after “Taxes Act”, in the second place where it occurs, insert “ or section 175(3) of ITA 2007 ”,

Status: Point in time view as at 10/06/2021.

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- ^{F109}(b)
- (c) in sub-paragraph (6) after “Taxes Act” insert “ or section 176(4)(b) or (5) (b), 182(2) or (4), 183(6), 185(1), 190(1)(e) or 191(2)(c), (3), (4) or (5) of ITA 2007 ”,
- (d) in sub-paragraph (7)—
- (i) in paragraph (a) after “Taxes Act” insert “ or section 182(2) or (4) of ITA 2007 ”,
- (ii) in paragraph (aa) after “Taxes Act” insert “ or section 176(4)(b) or (5)(b), 183(6) or 191(3), (4) or (5) of ITA 2007 ”, and
- (iii) in paragraph (c) after “Taxes Act” insert “ or section 185(1), 190(1) (e) or 191(2)(c) of ITA 2007 ”, and
- (e) in sub-paragraph (7A)—
- (i) after “Taxes Act” insert “ and subsections (3), (4) and (5) of section 191 of ITA 2007 ”, and
- (ii) for “that Act” substitute “ the Taxes Act or section 190(2) of ITA 2007 ”.
- (14) In paragraph 19(1) (interpretation)—
- (a) in the definition of “eligible shares” for “that Act” substitute “ the Taxes Act or means shares that meet the requirement in section 173 (2) of ITA 2007 ”,
- (b) in the definition of “ordinary share capital” for “the same meaning as in the Taxes Act” substitute “ the meaning given by section 989 of ITA 2007 ”,
- (c) in the definition of “qualifying business activity” after “Taxes Act” insert “ or section 179 of ITA 2007 ”,
- (d) for the definition of “qualifying company” substitute—
- ““qualifying company”, in relation to any eligible shares, means a company which, in relation to those shares, is—
- (a) a qualifying company for the purposes of Chapter 3 of Part 7 of the Taxes Act (except that for the purposes of this Schedule the reference in section 293(1B)(b)(i) of that Act to section 304A of that Act shall be read as a reference to paragraph 8 above), or
- (b) a qualifying company for the purposes of Part 5 of ITA 2007 (except that for the purposes of this Schedule the reference in section 184(1)(c)(i) of that Act to section 247 of that Act shall be read as a reference to paragraph 8 above).”
- (e) in the definition of “the relevant period” for “that Act” insert “ the Taxes Act or section 159(2) of ITA 2007 ”, and
- (f) in the definition of “termination date” after “Taxes Act” insert “ or section 256 of ITA 2007 ”.
- (15) In paragraph 19(3) omit the “and” immediately before paragraph (c) and after that paragraph insert “; and
- (d) references to Part 5 of ITA 2007 or any provision of that Part are to a Part or provision that applies only in relation to shares issued on or after 6th April 2007”.

Status: Point in time view as at 10/06/2021.

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Textual Amendments

- F107** Sch. 1 para. 345(2)(b) omitted (with effect in accordance with Sch. 8 para. 11 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 8 para. 10\(c\)](#)
- F108** Sch. 1 para. 345(3)(a) omitted (with effect in accordance with Sch. 8 para. 11 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 8 para. 10\(c\)](#)
- F109** Sch. 1 para. 345(13)(b) omitted (with effect in accordance with Sch. 8 para. 11 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 8 para. 10\(c\)](#)

- 346 In paragraph 1(1)(a) of Schedule 5BA (enterprise investment scheme: application of taper relief) after “Taxes Act” insert “ or Part 5 of ITA 2007 ”.
- 347 In paragraph 3(1)(f) of Schedule 5C (VCTs: deferred charge on re-investment) for “section 842AA(8) of the Taxes Act” substitute “ section 281(3) of ITA 2007 ”.
- 348 (1) Amend Schedule 7C (reliefs for transfers to approved share plans) as follows.
 - (2) In paragraph 2(6) (conditions relating to the disposal), in the definition of “ordinary share capital” for “section 832(1) of the Taxes Act” substitute “ section 989 of ITA 2007 ”.
 - (3) In paragraph 7(1) and (3) (shares: special provision) after “Taxes Act” insert “ or Part 5 of ITA 2007 ”.
- 349 In Schedule 8 (leases), in paragraph 5(6) for “any amount chargeable to tax under section 348 or 349 of the Taxes Act” substitute “ any amount from which a sum representing income tax is required to be deducted under Part 15 of ITA 2007 ”.

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

F110350

Textual Amendments

- F110** Sch. 1 para. 350 omitted (1.4.2009) by [Finance Act 2008 \(c.9\)](#), s. 113(2), [Sch. 36 para. 92\(j\)](#) (with [Sch. 36 para. 38](#)); [S.I. 2009/404](#), art. 2 (with art. 12)

Tribunals and Inquiries Act 1992 (c. 53)

F111351

Textual Amendments

- F111** Sch. 1 para. 351 omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 1 para. 463](#)

Judicial Pensions and Retirement Act 1993 (c. 8)

- 352 In section 3(6) of the Judicial Pensions and Retirement Act 1993 (the appropriate annual rate) for “section 279(1) of the Finance Act 2004” substitute “ section 4 of the Income Tax Act 2007 ”.

Status: Point in time view as at 10/06/2021.

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Charities Act 1993 (c. 10)

F112353

Textual Amendments

F112 [Sch. 1 para. 353](#) repealed (14.3.2012) by [Charities Act 2011 \(c. 25\)](#), s. 355, [Sch. 10](#) (with s. 20(2), [Sch. 8](#))

Finance Act 1993 (c. 34)

- 354 The Finance Act 1993 is amended as follows.
- 355 Omit section 80 (transitional relief for charities etc).
- 356 Omit section 118 (Scottish trusts).
- 357 (1) Amend section 176 (ancillary trust funds) as follows.
- (2) In subsection (3) for paragraph (a) substitute—
- “(a) section 636 of ITA 2007 (exception where there is a transfer to a legatee);”.
- (3) In subsection (4) for “sections 710 to” substitute “ Part 12 of ITA 2007 and section ”.
- 358 (1) Amend section 180 (underwriting profits to be earned income) as follows.
- (2) In subsection (1) for paragraph (b) substitute—
- “(b) accordingly, shall constitute—
- (i) for the purposes of Part 4 of the Finance Act 2004, relevant UK earnings within section 189(2)(b) of that Act, and
- (ii) income in relation to which the treatment in section 836(2) of ITA 2007 does not apply.”
- (3) In the sidenote for “earned income” substitute “ relevant UK earnings etc ”.

F113359

Textual Amendments

F113 [Sch. 1 para. 359](#) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), [Sch. 1 Pt. 10](#) Group 1

- 360 In section 212 (interpretation) at the end insert “, and “ITA 2007” means the Income Tax Act 2007 ”.
- 361 (1) Amend Schedule 20A (Lloyd's underwriters: conversion to limited liability underwriting) as follows.
- (2) In paragraph 2—
- (a) in sub-paragraph (2) for “The carry-forward provision” substitute “ Section 83 of ITA 2007 ”, and
- (b) omit sub-paragraphs (3) and (4).
- (3) In paragraph 5(1), in the definition of “ordinary share capital”, for “section 832(1) of the Taxes Act 1988” substitute “ section 989 of ITA 2007 ”.

Status: Point in time view as at 10/06/2021.

Changes to legislation: Income Tax Act 2007 is up to date with all changes known to be in force on or before 23 June 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. (See end of Document for details)

- (4) In paragraph 7(2) for “Section 385 of the Taxes Act 1988” substitute “ Section 83 of ITA 2007 ”.

Agriculture Act 1993 (c. 37)

- 362 In paragraph 22(2) of Schedule 2 to the Agriculture Act 1993 (tax provisions relating to the carrying out of approved scheme of reorganisation) for “section 469 of the Income and Corporation Taxes Act 1988” substitute “ the Tax Acts ”.

Finance Act 1994 (c. 9)

- 363 (1) Amend paragraph 11 of Schedule 20 to the Finance Act 1994 (changes for facilitating self-assessment etc) as follows.
- (2) In sub-paragraph (3) for the words from “be treated” to “excess” substitute “ be chargeable for that year to an amount of income tax equal to the excess ”.
- (3) Omit sub-paragraph (7).

Finance Act 1995 (c. 4)

- 364 The Finance Act 1995 is amended as follows.
- 365 Omit section 73 (venture capital trusts: regulations).
- 366 Omit section 90 (relief for post-cessation expenditure).
- F114 367

Textual Amendments

F114 Sch. 1 para. 367 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 10 Pt. 11](#) (with [Sch. 9 paras. 1-9, 22](#))

- 368 Omit section 128 (limit on income chargeable on non-residents: income tax).
- 369 (1) Amend section 154 (short rotation coppice) as follows.
- (2) In subsection (1)—
- (a) omit “Subject to subsection (1A),” and
- (b) for “Tax Acts” substitute “ Corporation Tax Acts ”.
- (3) Omit subsection (1A).
- 370 (1) Amend Schedule 22 (prevention of exploitation of Schedule 2 to ITTOIA 2005 (so far as relating to overlap profit)) as follows.
- (2) In paragraph 5(1)(b) for the words from “section 353” to “provision)” substitute “ section 383 of the Income Tax Act 2007 (relief for interest payments) ”.
- (3) In paragraph 17—
- (a) in sub-paragraph (2) for “section 839” to the end substitute “ section 993 of the Income Tax Act 2007 (but as if, in subsection (4) of that section, the words from “But this subsection” to the end were omitted). ”, and

Status: Point in time view as at 10/06/2021.

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- (b) in sub-paragraph (6)(a), in paragraph (ii) of the definition of “control”, for “section 840 of that Act” substitute “ section 995 of the Income Tax Act 2007 ”.

Finance Act 1996 (c. 8)

F115371

Textual Amendments

F115 Sch. 1 paras. 371-376 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

F115372

Textual Amendments

F115 Sch. 1 paras. 371-376 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

F115F116373

Textual Amendments

F115 Sch. 1 paras. 371-376 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

F116 Sch. 1 para. 373 omitted (retrospective and with effect in accordance with Sch. 24 paras. 12, 13-16 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 24 paras. 9(e), 12**

F115374

Textual Amendments

F115 Sch. 1 paras. 371-376 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

F115375

Textual Amendments

F115 Sch. 1 paras. 371-376 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

F115376

Textual Amendments

F115 Sch. 1 paras. 371-376 repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Status: Point in time view as at 10/06/2021.

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Finance (No.2) Act 1997 (c. 58)

377 The Finance (No.2) Act 1997 is amended as follows.

378 Omit section 29 (unauthorised unit trusts).

F117³⁷⁹

Textual Amendments

F117 Sch. 1 para. 379 repealed (19.7.2011) by Finance Act 2011 (c. 11), Sch. 26 para. 1(2)(b)(i)

Finance Act 1998 (c. 36)

380 The Finance Act 1998 is amended as follows.

381 In section 56(4) (transitional provision in connection with section 55 (construction workers supplied by agencies)) for “section 385 of the Taxes Act 1988” substitute “section 83 of the Income Tax Act 2007”.

382 In section 134(5) (transfer of company's assets to VCT) for “section 842AA of the Taxes Act 1988” substitute “Part 6 of the Income Tax Act 2007”.

383 In section 135(5) (transfer within group to VCT) for “section 842AA of the Taxes Act 1988” substitute “Part 6 of the Income Tax Act 2007”.

384 In section 161(2)(a) (non-FOTRA securities) for the words from “sections 711” to “receiving” substitute “Chapter 2 of Part 12 of the Income Tax Act 2007 (accrued income profits) in relation only to accrued income profits which a person is treated as making under section 628(5) or 630(2) of that Act”.

385 (1) Amend Schedule 18 (company tax returns, assessments and related matters) as follows.

(2) In paragraph 3 after sub-paragraph (4) insert—

“(5) Sub-paragraph (1)(b) has effect as if the reference to the Corporation Tax Acts included a reference to sections 911, 912, 914 and 915 of the Income Tax Act 2007.”

(3) In paragraph 20 after sub-paragraph (3) insert—

“(4) In the application of this paragraph to an error relating to information required in a return by virtue of paragraph 3(5), this paragraph has effect as if—

- (a) the reference in sub-paragraph (1) to a tax-related penalty were a reference to an amount not exceeding £3,000, and
- (b) sub-paragraphs (2) and (3) were omitted.”

(4) In paragraphs 22(3)(a) and 23(3)(a) for sub-paragraph (ii) substitute—

“(ii) section 495(1) or 975(2) or (4) of the Income Tax Act 2007 (statements about deduction of income tax),”.

Greater London Authority Act 1999 (c. 29)

386 The Greater London Authority Act 1999 is amended as follows.

Status: Point in time view as at 10/06/2021.

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- 387 In section 157(4) (restriction on exercise of certain powers except through a company)—
- (a) in paragraph (a) omit “income tax and” and “and” at the end, and
 - (b) after that paragraph insert—
 - “(aa) section 838 of the Income Tax Act 2007 (exemption of local authorities from income tax); and”.

- 388 In section 419(2) (taxation: certain bodies treated as a local authority)—
- (a) in paragraph (a) for “income and corporation taxes” substitute “corporation tax”, and omit “and” at the end, and
 - (b) after that paragraph insert—
 - “(aa) section 838 of the Income Tax Act 2007 (exemption of local authorities from income tax); and”.

Finance Act 2000 (c. 17)

389 The Finance Act 2000 is amended as follows.

F118390

Textual Amendments

F118 Sch. 1 para. 390 repealed (19.7.2011) by Finance Act 2011 (c. 11), Sch. 26 para. 3(2)(c)

391 In section 44 (which makes provision about expenses of trustees) for subsections (4) and (5) substitute—

- “(5A) This section applies if—
- (a) in a year of assessment qualifying income arises under a UK settlement,
 - (b) the qualifying income consists of charitable income and non-charitable income, and
 - (c) expenses of the trustees are to be used to reduce the charitable income for the purpose of calculating a beneficiary's liability to corporation tax.

(5B) The amount of those expenses which can used for that purpose is limited to the amount allocated to the charitable income.

(5C) The amount of the expenses allocated to the charitable income is determined by apportioning them rateably between the charitable income and the non-charitable income.

- (5D) In this section—
- “charitable income” means income within section 628(1) or 630(1) of ITTOIA 2005,
 - “non-charitable income” means income which is not charitable income, and
 - “qualifying income” and “UK settlement” have the same meaning as in section 628 of ITTOIA 2005.”

F119392

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F119 Sch. 1 para. 392 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

- 393 In section 155 (interpretation) at the end insert “ and “ITA 2007” means the Income Tax Act 2007 ”.
- 394 (1) Amend Schedule 15 (the corporate venturing scheme) as follows.
- (2) In paragraph 16(4) (the unquoted status requirement) after “Taxes Act 1988” insert “ or section 184(3) of ITA 2007 ”.
- (3) In paragraph 55(4) (provision supplementary to paragraph 54) after “Taxes Act 1988” insert “ or Part 5 of ITA 2007 ”.
- (4) In paragraph 56(3) (value received by other persons)—
- after “Taxes Act 1988”, in the first place where it occurs, insert “ or Part 5 of ITA 2007 ”,
 - for “section 299 of that Act” substitute “ section 299 of the Taxes Act 1988 or section 209 of ITA 2007 ”,
 - for “section 300(2)(a) of that Act” substitute “ section 300(2)(a) of the Taxes Act 1988 or section 216(2)(a) of ITA 2007 ”, and
 - after “section 300 of the Taxes Act 1988” insert “ , section 214 of ITA 2007 ”.
- (5) In paragraph 102 (minor definitions etc) after sub-paragraph (8) insert—
- “(9) References in this Schedule to Part 5 of ITA 2007 or any provision of that Part are to a Part or provision that applies only in relation to shares issued after 5 April 2007.”
- 395 In paragraph 41 of Schedule 22 (tonnage tax: the requirement not to enter into tax avoidance arrangements) for sub-paragraph (3) substitute—
- “(3) In this paragraph “tax advantage” has the meaning given by section 840ZA of the Taxes Act 1988.”

Capital Allowances Act 2001 (c. 2)

- 396 The Capital Allowances Act 2001 is amended as follows.
- 397 (1) Amend section 4 (capital expenditure) as follows.
- (2) In subsection (4) for “section 348 or 349(1) of ICTA (annual payments)” substitute “ Chapter 6 of Part 15 of ITA 2007 (deduction from annual payments or patent royalties) or under section 906 of that Act (certain royalties etc where usual place of abode of owner is abroad) ”.
- (3) Omit subsection (5).
- 398 In section 70V(4) (tax avoidance involving international leasing) for “Chapter 1” to the end substitute “ section 840ZA of ICTA ”.
- 399 Omit section 70YI(4) (application of section 839 of ICTA).
- 400 In section 138(2)(b) (limit on amount deferred) for “section 385 or” substitute “ section 83 of ITA 2007 or section ”.

Status: Point in time view as at 10/06/2021.

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- 401 In section 156(1)(a) and (c) (connected persons) for “section 839 of ICTA” substitute “ section 575 ”.
- 402 In section 220(8)(a) (allocation of expenditure to a chargeable period) omit “, within the meaning of section 840 of ICTA”.
- 403 In section 232(1)(a) (meaning of connected person) for “section 839 of ICTA” substitute “ section 575 ”.
- 404 In section 258 (special leasing: income tax) after subsection (3) insert—
“(3A) The allowance or (as the case may be) the proportionate part of the allowance is given effect at Step 2 of the calculation in section 23 of ITA 2007.”
- 405 In section 266(5)(a) (election where predecessor and successor are connected persons) for “section 839 of ICTA” substitute “ section 575 ”.
- ^{F120}406

Textual Amendments

F120 Sch. 1 para. 406 omitted (21.7.2008 with effect in accordance with Sch. 27 para. 30(1) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 27 para. 27\(4\)](#)

- 407 In section 437 (research and development allowances) for subsection (2) substitute—
“(2) In this Part “research and development”—
(a) means activities that fall to be treated as research and development in accordance with generally accepted accounting practice, and
(b) includes oil and gas exploration and appraisal.
(3) But—
(a) activities that, as a result of regulations made under section 1006 of ITA 2007, are “research and development” for the purposes of that section are also “research and development” for the purposes of this Part, and
(b) activities that, as a result of any such regulations, are not “research and development” for the purposes of that section are also not “research and development” for the purposes of this Part.”
- 408 In section 479 (persons having qualifying non-trade expenditure: income tax) after subsection (2) insert—
“(2A) The allowance is given effect at Step 2 of the calculation in section 23 of ITA 2007.”
- 409 At the beginning of Chapter 6 of Part 12 insert—

“Orders and regulations

Orders and regulations made by Treasury or Commissioners

570B) Any orders or regulations made by the Treasury or the Commissioners for Her Majesty's Revenue and Customs under this Act must be made by statutory instrument.

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- (2) Any orders or regulations made by the Treasury or the Commissioners under this Act are subject to annulment in pursuance of a resolution of the House of Commons.
- (3) Subsection (2) does not apply to any regulations made under section 70YJ or any order made under section 82(4)(d).”
- 410 In section 574(1) at the end insert “(but, for the purposes of section 575, this definition applies only where expressly indicated)”.
- 411 For section 575 (connected persons) substitute—

“575 Meaning of “connected” persons

- (1) For the purposes of this Act whether a person is connected with another is determined in accordance with this section unless otherwise indicated.
- (2) An individual (“A”) is connected with another individual (“B”) if—
- (a) A is B's spouse or civil partner,
 - (b) A is a relative of B,
 - (c) A is the spouse or civil partner of a relative of B,
 - (d) A is a relative of B's spouse or civil partner, or
 - (e) A is the spouse or civil partner of a relative of B's spouse or civil partner.
- (3) A person, in the capacity as trustee of a settlement, is connected with—
- (a) any individual who is a settlor in relation to the settlement,
 - (b) any person connected with such an individual,
 - (c) any close company whose participators include the trustees of the settlement,
 - (d) any non-UK resident company which, if it were UK resident, would be a close company whose participators include the trustees of the settlement,
 - (e) any body corporate controlled (within the meaning of section 574) by a company within paragraph or ,
 - (f) if the settlement is the principal settlement in relation to one or more sub-fund settlements, a person in the capacity as trustee of such a sub-fund settlement, and
 - (g) if the settlement is a sub-fund settlement in relation to a principal settlement, a person in the capacity as trustee of any other sub-fund settlements in relation to the principal settlement.
- (4) A person who is a partner in a partnership is connected with—
- (a) any partner in the partnership,
 - (b) the spouse or civil partner of any individual who is a partner in the partnership, and
 - (c) a relative of any individual who is a partner in the partnership.

But this subsection does not apply in relation to acquisitions or disposals of assets of the partnership pursuant to genuine commercial arrangements.

- (5) A company is connected with another company if—

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- (a) the same person has control of both companies,
 - (b) a person (“A”) has control of one company and persons connected with A have control of the other company,
 - (c) A has control of one company and A together with persons connected with A have control of the other company, or
 - (d) a group of two or more persons has control of both companies and the groups either consist of the same persons or could be so regarded if (in one or more cases) a member of either group were replaced by a person with whom the member is connected.
- (6) A company is connected with another person (“A”) if—
- (a) A has control of the company, or
 - (b) A together with persons connected with A have control of the company.
- (7) In relation to a company, any two or more persons acting together to secure or exercise control of the company are connected with—
- (a) one another, and
 - (b) any person acting on the directions of any of them to secure or exercise control of the company.

575A Section 575: supplementary

- (1) In section 575 and this section—
- “company” includes any body corporate or unincorporated association, but does not include a partnership (and see also subsection (2)),
 - “control” is to be read in accordance with section 416 of ICTA (except where otherwise indicated),
 - “principal settlement” has the meaning given by paragraph 1 of Schedule 4ZA to TCGA 1992,
 - “relative” means brother, sister, ancestor or lineal descendant,
 - “settlement” has the same meaning as in Chapter 5 of Part 5 of ITTOIA 2005 (see section 620 of that Act), and
 - “sub-fund settlement” has the meaning given by paragraph 1 of Schedule 4ZA to TCGA 1992.
- (2) For the purposes of section 575—
- (a) a unit trust scheme is treated as if it were a company, and
 - (b) the rights of the unit holders are treated as if they were shares in the company.
- (3) For the purposes of section 575 “trustee”, in the case of a settlement in relation to which there would be no trustees apart from this subsection, means any person—
- (a) in whom the property comprised in the settlement is for the time being vested, or
 - (b) in whom the management of that property is for the time being vested.

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Section 466(4) of ITA 2007 does not apply for the purposes of this subsection.

(4) If any provision of section 575 provides that a person (“A”) is connected with another person (“B”), it also follows that B is connected with A.”

412 In section 577(1) (other definitions)—

- (a) omit the definition of “tax year”, and
- (b) omit the definition of “the tax year 2001-02”.

413 (1) Amend Schedule 1 (abbreviations and defined expressions) as follows.

(2) In Part 1 in the appropriate place insert—

“ITA 2007

The Income Tax Act 2007.”

(3) In Part 2—

- (a) in the entry for “body of persons”, in the second column, before “section 832(1) of ICTA” insert “ section 989 of ITA 2007 and ”,
- (b) in the entry for “connected persons (general meaning)”, in the second column, for “section 575(1)” substitute “ section 575 ”,
- (c) in the entry for “offshore installation”, in the second column, before “section 837C of ICTA” insert “ sections 1001 and 1002 of ITA 2007 and ”,
- (d) in the entry for “overseas property business”, in the second column, at the end insert “ (as applied by section 989 of ITA 2007) ”,
- (e) in the entry for “research and development”, in the second column, for “437(2) and section 837A of ICTA” substitute “ 437(2) and (3) ”,
- (f) in the entry for “Schedule A business”, in the second column, before “section 832(1) of ICTA” insert “ section 989 of ITA 2007 and ”,
- (g) in the entry for “tax year”, in the second column, for “section 577(1)” substitute “ section 4(2) of ITA 2007 (as applied by section 989 of that Act) ”,
- (h) in the entry for “UK property business”, in the second column, omit “section 832(1) of ICTA and” and at the end insert “ (as applied by section 989 of ITA 2007) ”,
- (i) in the entry for “United Kingdom”, in the second column, for “section 830 of ICTA and section 41 of ITEPA 2003” substitute “ section 1013 of ITA 2007 and section 830(1) of ICTA ”, and
- (j) in the entry for “within the charge to tax”, in the second column, before “section 832(1) of ICTA” insert “ section 1009 of ITA 2007 and ”.

Finance Act 2002 (c. 23)

414 The Finance Act 2002 is amended as follows.

415 Omit section 98.

416 In section 142 (interpretation) at the end insert “, and “ITA 2007” means the Income Tax Act 2007”.

417 In paragraph 19 of Schedule 12 (tax relief for expenditure on research and development) for sub-paragraph (2) substitute—

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“(2) For the purposes of this Schedule whether a person is connected with another is determined in accordance with section 839 of the Taxes Act 1988.”

418 In paragraph 27 of Schedule 13 (tax relief for expenditure on vaccine research etc) for sub-paragraph (2) substitute—

“(2) For the purposes of this Schedule whether a person is connected with another is determined in accordance with section 839 of the Taxes Act 1988.”

^{F121}419

Textual Amendments

F121 Sch. 1 para. 419 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F122}420

Textual Amendments

F122 Sch. 1 para. 420 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

421 In Schedule 25 (loan relationships), omit paragraph 57.

^{F123}422

Textual Amendments

F123 Sch. 1 para. 422 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

423 Omit Schedule 33 (venture capital trusts).

Proceeds of Crime Act 2002 (c. 29)

424 In paragraph 4 of Part 2 of Schedule 10 (tax) to the Proceeds of Crime Act 2002 for the words from “sections 711” to the end substitute “ Chapter 2 of Part 12 of the Income Tax Act 2007, that Part does not apply to the transfer ”.

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

425 The Income Tax (Earnings and Pensions) Act 2003 is amended as follows.

426 In section 1 (overview of contents of Act) omit subsection (2).

427 In section 11(3) (calculation of “net taxable earnings”) for “section 380(1) of ICTA” substitute “ section 128 of ITA 2007 ”.

428 In section 24(6)(a) (limit on chargeable overseas earnings where duties of associated employment performed in UK) for “section 840 of ICTA” substitute “ section 995 of ITA 2007 ”.

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- 429 In section 48(2) (scope of Chapter) for “subject to deduction of tax under section 555 of ICTA (payments to non-resident entertainers and sportsmen)” substitute “or transfers to which section 966(3) or (4) of ITA 2007 applies (visiting performers: duty to deduct and account for sums representing income tax)”.
- 430 In section 69(1) (extended meaning of “control”) for “section 840 of ICTA” substitute “ section 995 of ITA 2007 ”.
- 431 In section 178 (exception for loans where interest qualifies for tax relief)—
 (a) in paragraph (a) for the words from “(general” to “MIRAS)” substitute “ or section 383 of ITA 2007 (relief for interest payments) ”, and
 (b) in paragraph (b) for “that section” substitute “ section 353 of ICTA ”.
- 432 In section 180(5) (threshold for benefit of loan to be treated as earnings)—
 (a) in paragraph (a) for the words from “(general” to “MIRAS)” substitute “ or section 383 of ITA 2007 (relief for interest payments) ”, and
 (b) in paragraph (b) for “that section” substitute “ section 353 of ICTA ”.
- 433 In section 230(5)(a) (the approved amount for mileage allowance payments) for “section 840 of ICTA” substitute “ section 995 of ITA 2007 ”.
- 434 In section 329(6) (deductions from earnings not to exceed earnings) for “section 380 of ICTA” substitute “ section 128 of ITA 2007 ”.
- 435 In section 347(2) (payments made after leaving an employment) for “from total income” substitute “ in calculating net income ”.
- 436 In section 357(2) after “section 505(1)(e) of ICTA” insert “ or section 524 of ITA 2007 ”.
- 437 After section 404 insert—

“404A Amounts charged to be treated as highest part of total income

- (1) A payment or other benefit which counts as a person's employment income as a result of section 403 is treated as the highest part of the person's total income.
- (2) Subsection (1) has effect for all income tax purposes except the purposes of sections 535 to 537 of ITTOIA 2005 (gains from contracts for life insurance etc: top slicing relief).
- (3) See section 1012 of ITA 2007 (relationship between highest part rules) for the relationship between—
 (a) the rule in subsection (1), and
 (b) other rules requiring particular income to be treated as the highest part of a person's total income.”
- 438 In section 476 (charge on occurrence of chargeable event) after subsection (5) insert—
 “(5A) An amount charged under subsection (5)(a) is treated for income tax purposes as an amount of income.”
- 439 (1) Amend section 515 (tax advantages and charges relating to SIPs) as follows.
 (2) In subsection (1)—
 F124(a)

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(b) omit paragraph (b) and the “and” immediately after it.

(3) In subsection (2)—

(a) omit the “and” immediately after paragraph (b), and

(b) after paragraph (c) insert “, and

(d) Chapter 5 of Part 9 of ITA 2007 (which provides for section 479 of that Act not to apply to income of the trustees of an approved SIP in certain circumstances)”.

(4) Omit subsection (3).

Textual Amendments

F124 Sch. 1 para. 439(2)(a) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

440 (1) Amend section 555 (deduction for liabilities related to former employment) as follows.

(2) In subsection (2)—

(a) for “when computing the former employee's total income” substitute “ in calculating the former employee's net income ”, and

(b) at the end insert “ (see Step 2 of the calculation in section 23 of ITA 2007) ”.

(3) For subsection (6) substitute—

“(6) See section 263ZA of TCGA 1992 for relief from capital gains tax where the amount of the deduction allowed under this section exceeds the remaining total income (as defined in that section).”

(4) In the sidenote for “from total income” substitute “ in calculating net income ”.

(5) In the italic cross-heading before the section for “from total income” substitute “ in calculating net income ”.

441 In section 609(1) after “section 273 of ICTA” insert “ or section 459 of ITA 2007 ”.

442 In section 718 (connected persons) for “Section 839 of ICTA” substitute “ Section 993 of ITA 2007 ”.

443 In section 719 (control in relation to a body corporate)—

(a) for “Section 840 of ICTA (meaning of control in relation to a body corporate)” substitute “ Section 995 of ITA 2007 (meaning of “control”) ”, and

(b) for the sidenote substitute “ Meaning of “control” ”.

444 (1) Amend section 721 (other definitions) as follows.

(2) In subsection (1)—

(a) after the definition of “foreign employer” insert “ and ”, and

(b) omit the words after the definition of “non-cash voucher”.

(3) Omit subsection (2).

445 In Part 1 of Schedule 1 (abbreviations) in the appropriate place insert—

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“ITA 2007

The Income Tax Act 2007.”

- 446 (1) Amend Part 2 of Schedule 1 (defined expressions) as follows.
- (2) In the entry for “assignment (in the application of the Act to Scotland)”, in the second column, for “section 721(2)” substitute “ section 1008(1) of ITA 2007 ”.
 - (3) In the entry for “basic rate”, in the second column, for “section 832(1) of ICTA” substitute “ section 6(2) of ITA 2007 (as applied by section 989 of that Act) ”.
 - (4) In the entry for “body of persons”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
 - (5) In the entry for “capital allowance”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
 - (6) In the entry for “child, children”, in the second column, omit “section 832(5) of ICTA, and see”.
 - (7) In the entry for “close company”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
 - (8) In the entry for “company”, in the second column, for “section 832(1) of ICTA” substitute “ section 992 of ITA 2007 ”.
 - (9) In the entry for “connected”, in the second column, for “section 839 of ICTA” substitute “ section 993 of ITA 2007 ”.
 - (10) In the entry for “control”, in the second column, for “section 840 of ICTA” substitute “ section 995 of ITA 2007 ”.
 - (11) In the entry for “distribution”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
 - (12) In the entry for “generally accepted accounting practice”, in the second column, for “section 832(1) of ICTA” substitute “ section 997 of ITA 2007 ”.
 - (13) Omit the entry for “interest”.
 - (14) In the entry for “local authority”, in the second column, for “section 842A of ICTA” substitute “ section 999 of ITA 2007 ”.
 - (15) After the entry for “national insurance contributions” insert—
- | | |
|-------------|---|
| “net income | section 23 of ITA 2007 (as applied by section 989 of that Act)” |
|-------------|---|
- (16) In the entry for “the normal self-assessment filing date”, in the second column, for “section 721(1)” substitute “ section 989 of ITA 2007 ”.
 - (17) In the entry for “notice”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
 - (18) In the entry for “offshore installation”, in the second column, for “section 837C of ICTA” substitute “ sections 1001 and 1002 of ITA 2007 ”.

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- (19) In the entry for “ordinary share capital”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (20) In the entry for “personal representatives”, in the second column, for “section 721(1)” substitute “ section 989 of ITA 2007 ”.
- (21) In the entry for “recognised stock exchange”, in the second column, for “section 841 of ICTA” substitute “ section 1005 of ITA 2007 ”.
- (22) In the entry for “registered pension scheme”, in the second column, for “section 832(1) of ICTA” substitute “ section 150(2) of FA 2004 (as applied by section 989 of ITA 2007) ”.
- (23) In the entry for “Schedule A business”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (24) In the entry for “stepchild”, in the second column, for “section 832(1) of ICTA” substitute “ section 246 of the Civil Partnership Act 2004 (as applied by section 989 of ITA 2007) ”.
- (25) In the entry for “51% subsidiary”, in the second column, for “section 838(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (26) In the entry for “tax”, in the second column, at the end insert “ (as applied by section 989 of ITA 2007) ”.
- ^{F125}(27)
- (28) In the entry for “tax year”, in the second column, for “section 721(1)” substitute “ section 4(2) of ITA 2007 (as applied by section 989 of that Act) ”.
- (29) In the entry for “the tax year 2003-04 etc”, in the second column, for “section 721(1)” substitute “ section 4(4) of ITA 2007 (as applied by section 989 of that Act) ”.
- (30) In the entry for “total income” for “section 835 of ICTA” substitute “ section 23 of ITA 2007 (as applied by section 989 of that Act) ”.
- (31) In the entry for “trade”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (32) In the entry for “United Kingdom”, in the second column, for “section 830 of ICTA” substitute “ section 1013 of ITA 2007 ”.
- (33) In the entry for “UK property business”, in the second column, omit “section 832(1) of ICTA and” and at the end insert “ (as applied by section 989 of ITA 2007) ”.

Textual Amendments

F125 Sch. 1 para. 446(27) omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of Finance Act 2016 (c. 24), Sch. 1 para. 63(18)

- 447 (1) Amend Schedule 2 (approved share incentive plans) as follows.
- (2) In paragraph 49(3)—
 - (a) in paragraph (a) for “section 840A(1)(b) of ICTA” substitute “ section 991(2) (b) of ITA 2007 ”, and

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- (b) in paragraph (c) for “section 840A(1)(c) of ICTA” substitute “ section 991(2) of ITA 2007 ”.
- (3) In paragraph 100—
- (a) in the entry for “building society”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (b) in the entry for “child”, in the second column, for “section 832(5) of ICTA (and see section 721(6))” substitute “ section 721(6) ”,
 - (c) in the entry for “close company”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (d) in the entry for “distribution”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (e) in the entry for “notice”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (f) in the entry for “ordinary share capital”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (g) in the entry for “personal representatives”, in the second column, for “section 721(1)” substitute “ section 989 of ITA 2007 ”,
 - (h) in the entry for “recognised stock exchange”, in the second column, for “section 841 of ICTA” substitute “ section 1005 of ITA 2007 ”,
 - (i) in the entry for “tax”, in the second column, at the end insert “ (as applied by section 989 of ITA 2007) ”, and
 - (j) in the entry for “tax year”, in the second column, for “section 721(1)” substitute “ section 4(2) of ITA 2007 (as applied by section 989 of that Act) ”.
- 448 In paragraph 49 of Schedule 3 (approved SAYE Option Schemes)—
- (a) in the entry for “child”, in the second column, for “section 832(5) of ICTA (and see section 721(6) of this Act)” substitute “ section 721(6) ”,
 - (b) in the entry for “close company”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (c) in the entry for “distribution”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (d) omit the entry for “interest”,
 - (e) in the entry for “notice”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (f) in the entry for “ordinary share capital”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (g) in the entry for “personal representatives”, in the second column, for “section 721(1)” substitute “ section 989 of ITA 2007 ”,
 - (h) in the entry for “recognised stock exchange”, in the second column, for “section 841 of ICTA” substitute “ section 1005 of ITA 2007 ”,
 - (i) in the entry for “tax”, in the second column, at the end insert “ (as applied by section 989 of ITA 2007) ”, and
 - (j) omit the entry for “United Kingdom”.
- 449 In paragraph 37 of Schedule 4 (approved CSOP Schemes)—
- (a) in the entry for “child”, in the second column, for “section 832(5) of ICTA (and see section 721(6) of this Act)” substitute “ section 721(6) ”,
 - (b) in the entry for “close company”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,

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- (c) in the entry for “distribution”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (d) in the entry for “notice”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (e) in the entry for “ordinary share capital”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (f) in the entry for “personal representatives”, in the second column, for “section 721(1)” substitute “ section 989 of ITA 2007 ”,
 - (g) in the entry for “recognised stock exchange”, in the second column, for “section 841 of ICTA” substitute “ section 1005 of ITA 2007 ”, and
 - (h) omit the entry for “United Kingdom”.
- 450 (1) Amend Schedule 5 (enterprise management incentives) as follows.
- (2) In paragraph 11(10) (meaning of “qualifying subsidiary”)—
 - (a) for “section 312(2A) of ICTA” substitute “ section 252 of ITA 2007 ”, and
 - (b) for “Chapter 3 of Part 7 of ICTA” substitute “ Part 5 of ITA 2007 ”.
 - (3) In paragraph 58, in the definition of “research and development”, for “section 837A of ICTA” substitute “ section 1006 of ITA 2007 ”.
 - (4) In paragraph 59—
 - (a) in the entry for “child”, in the second column, for “section 832(5) of ICTA (and see section 721(6) of this Act)” substitute “ section 721(6) ”,
 - (b) in the entry for “close company”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (c) in the entry for “distribution”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (d) in the entry for “farming”, in the second column, for “section 832(1) of ICTA” substitute “ section 996 of ITA 2007 ”,
 - (e) in the entry for “generally accepted accounting practice”, in the second column, for “section 50(1) of the Finance Act 2004” substitute “ section 997 of ITA 2007 ”,
 - (f) in the entry for “notice”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (g) in the entry for “offshore installation”, in the second column, for “section 837C of ICTA” substitute “ sections 1001 and 1002 of ITA 2007 ”,
 - (h) in the entry for “ordinary share capital”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (i) in the entry for “personal representatives”, in the second column, for “section 721(1)” substitute “ section 989 of ITA 2007 ”,
 - (j) in the entry for “51% subsidiary”, in the second column, for “section 838(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (k) in the entry for “tax”, in the second column, at the end insert “ (as applied by section 989 of ITA 2007) ”,
 - (l) in the entry for “tax year”, in the second column, for “section 721(1)” substitute “ section 4(2) of ITA 2007 (as applied by section 989 of that Act) ”,
 - (m) in the entry for “trade”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”, and
 - (n) in the entry for “United Kingdom”, in the second column, for “section 830 of ICTA” substitute “ section 1013 of ITA 2007 ”.

Status: Point in time view as at 10/06/2021.

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Finance Act 2003 (c. 14)

451 The Finance Act 2003 is amended as follows.

452 Omit section 151 (non-resident companies: extent of charge to income tax).

F126 453

Textual Amendments
F126 Sch. 1 para. 453 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

454 In section 153(2)(a) (general replacement of references to branch or agency of company) for “paragraphs 3 and 4” substitute “ paragraph 4 ”.

455 In paragraph 1(2) of Schedule 26 (non-resident companies: transactions through broker, investment manager or Lloyd's agent) omit paragraph (b) and the word “and” before it.

Finance Act 2004 (c. 12)

456 The Finance Act 2004 is amended as follows.

457 In section 50 (generally accepted accounting practice) for “the Tax Acts” wherever occurring substitute “ the Corporation Tax Acts ”.

F127 458

Textual Amendments
F127 Sch. 1 para. 458 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

459 In section 59 (construction industry scheme: contractors) after subsection (7) insert—

“(8) This section is subject to section 73A (designated international organisations: exemption from section 59).”

460 In section 65 (change in control of company registered for gross payment) for subsection (3) substitute—

“(3) In this section references to a change in the control of a company are references to such a change determined in accordance with section 995 of the Income Tax Act 2007.”

461 After section 73 (regulations under this Chapter: supplementary) insert—

“73A Designated international organisations: exemption from section 59

(1) The Treasury may by order designate for the purposes of this section any international organisation of which the United Kingdom is a member.

(2) Section 59 does not apply to an organisation which is so designated.”

462 (1) Amend section 83 (giving through the self-assessment return) as follows.

Status: Point in time view as at 10/06/2021.

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(2) Omit subsections (1) to (3).

^{F128}(3)

Textual Amendments

F128 Sch. 1 para. 462(3) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

- 463 Omit sections 101 (payment of royalties without deduction at source) and 102 (claim for tax deducted at source from exempt interest or royalty payments).
- 464 Omit sections 119 to 123 (individuals benefited by film relief).
- 465 Omit sections 126 to 130 (individuals in partnership: exit charge).
- 466 In section 155(6)(a) and (b) (persons by whom scheme may be established: supplementary) for “section 840A(1)(b) of ICTA” substitute “ section 991(2)(b) of ITA 2007 ”.
- 467 In section 161 (meaning of “payment” etc) for subsection (8) substitute—
“(8) For the purposes of this section whether a person is connected with another person is determined in accordance with section 993 of ITA 2007.”
- 468 (1) Amend section 162 (meaning of “loan”) as follows.
(2) In subsection (2)(a) for “section 841 of ICTA” substitute “ section 1005 of ITA 2007 ”.
(3) For subsection (6) substitute—
“(6) For the purposes of this section whether a person is connected with another person is determined in accordance with section 993 of ITA 2007.”
- 469 In section 172A (surrender) for subsection (11) substitute—
“(11) For the purposes of this section whether a person is connected with another person is determined in accordance with section 993 of ITA 2007.”
- 470 In section 172B (increase in rights of connected person on death) for subsection (9) substitute—
“(9) For the purposes of this section whether a person is connected with another person is determined in accordance with section 993 of ITA 2007.”
- 471 In section 172C (allocation of unallocated employer contributions) for subsection (7) substitute—
“(7) For the purposes of this section whether a person is connected with another person is determined in accordance with section 993 of ITA 2007.”
- 472 In section 172D (limit on increase in benefits) for subsection (6) substitute—
“(6) For the purposes of this section whether a person is connected with another person is determined in accordance with section 993 of ITA 2007.”
- 473 (1) Amend section 189 (relevant UK individual) as follows.
(2) In subsection (2)—

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- (a) omit the “and” immediately after paragraph (b),
 - (b) after paragraph (b) insert—
 - “(ba) income which is chargeable under Part 3 of ITTOIA 2005 and is immediately derived from the carrying on of a UK furnished holiday lettings business (whether individually or as a partner acting personally in a partnership), and”, and
 - (c) for paragraph (c) substitute—
 - “(c) income to which subsection (2A) applies.”
- (3) After subsection (2) insert—
- “(2A) This subsection applies to income if—
- (a) it is patent income, and
 - (b) the individual, alone or jointly, devised the invention for which the patent in question was granted.”
- (4) After subsection (4) insert—
- “(5) “UK furnished holiday lettings business” means a UK property business so far as consisting of the commercial letting of furnished holiday accommodation (within the meaning of Chapter 6 of Part 3 of ITTOIA 2005).
- (6) If there is a letting of accommodation only part of which is holiday accommodation, just and reasonable apportionments are to be made for the purpose of determining what is comprised in a UK furnished holiday lettings business.
- (7) “Patent income” means—
- (a) royalties or other sums paid in respect of the use of a patent charged to tax under section 579 of ITTOIA 2005,
 - (b) amounts on which tax is payable under section 587 or 593 of ITTOIA 2005, or
 - (c) amounts on which tax is payable under—
 - (i) section 472(5) of the Capital Allowances Act, or
 - (ii) paragraph 100 of Schedule 3 to that Act.”
- 474 In section 192 (relief at source) omit subsection (5).
- 475 In section 193(6) (relief under net pay arrangements)—
- (a) for “from the total income” substitute “in calculating the net income”, and
 - (b) at the end insert “(see Step 2 of the calculation in section 23 of ITA 2007)”.
- 476 In section 194(1) (relief on making of claim)—
- (a) for “from the total income” substitute “in calculating the net income”, and
 - (b) at the end insert “(see Step 2 of the calculation in section 23 of ITA 2007)”.
- 477 In section 266A (member's liability) for subsection (7) substitute—
- “(7) For the purposes of this section whether a person is connected with another person is determined in accordance with section 993 of ITA 2007.”
- 478 In section 273 (members liable as scheme administrator) for subsection (11) substitute—

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- “(11) For the purposes of this section whether a person is connected with another person is determined in accordance with section 993 of ITA 2007.”
- 479 In section 278 (market value) for subsection (4) substitute—
- “(4) For the purposes of this section whether a person is connected with another person is determined in accordance with section 993 of ITA 2007.”
- 480 (1) Amend section 279 (other definitions) as follows.
- (2) In subsection (1)—
- (a) omit the definition of “charity”,
- (b) after the definitions of “pension credit” and “pension debit” insert “ and ”, and
- (c) omit the words after the definition of “pension sharing order or provision”.
- (3) After that subsection insert—
- “(1A) In this Part, so far as it forms part of the Corporation Tax Acts, expressions which are defined for the purposes of the Income Tax Acts are to be given the same meaning as they have in the Income Tax Acts.”
- 481 (1) Amend section 280 (abbreviations and general index) as follows.
- (2) In subsection (1) omit the “and” immediately before the definition of “ITTOIA 2005” and after that definition insert “, and
- “ITA 2007” means the Income Tax Act 2007.”
- (3) In subsection (2)—
- (a) in the entry for “basic rate”, in the second column, for “section 832(1) of ICTA” substitute “ section 6(2) of ITA 2007 (as applied by section 989 of that Act) ”,
- (b) in the entry for “basic rate limit”, in the second column, for “section 832(1) of ICTA” substitute “ section 20(2) of ITA 2007 (as applied by section 989 of that Act) ”,
- (c) in the entry for “chargeable gain”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
- (d) in the entry for “charity”, in the second column, for “section 279(1)” substitute “ section 989 of ITA 2007 ”,
- (e) in the entry for “company”, in the second column, for “section 832(1) of ICTA” substitute “ section 992 of ITA 2007 ”,
- (f) in the entry for “higher rate”, in the second column, for “section 832(1) of ICTA” substitute “ section 6(2) of ITA 2007 (as applied by section 989 of that Act) ”,
- (g) after the entry for “money purchase benefits” insert—
-
- “net income section 23 of ITA 2007 (as applied by section 989 of that Act),”
-
- (h) in the entry for “period of account”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
- (i) in the entry for “personal representatives”, in the second column, for “section 279(1)” substitute “ section 989 of ITA 2007 ”,

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- (j) in the entry for “property investment LLP”, in the second column, for “section 842B of ICTA” substitute “ section 1004 of ITA 2007 ”,
 - (k) in the entry for “retail prices index”, in the second column, for “section 279(1)” substitute “ section 989 of ITA 2007 ”,
 - (l) in the entry for “tax year”, in the second column, for “section 279(1)” substitute “ section 4(2) of ITA 2007 (as applied by section 989 of that Act) ”,
 - (m) in the entry for “the tax year 2006-07 etc”, in the second column, for “section 279(1)” substitute “ section 4(4) of ITA 2007 (as applied by section 989 of that Act) ”, and
 - (n) in the entry for “total income” for “section 835 of ICTA” substitute “ section 23 of ITA 2007 (as applied by section 989 of that Act) ”.
- 482 (1) Amend Schedule 15 (charge to income tax on benefits received by former owner of property) as follows.
- (2) For paragraph 2 substitute—
- “2 (1) For the purposes of this Schedule whether a person is connected with another person is determined in accordance with section 993 of the Income Tax Act 2007.
- (2) But for those purposes sections 993 and 994 of that Act are to be read as if in those sections—
- (a) “relative” included uncle, aunt, nephew and niece, and
 - (b) “settlement”, “settlor” and “trustee” had the same meanings as in IHTA 1984.”
- (3) In paragraph 9(1) for paragraph (c) substitute—
- “(c) sections 720 to 730 of the Income Tax Act 2007.”.
- 483 In paragraph 4 of Schedule 27 (meaning of “offshore installation”) for “sections 573 and 574” substitute “ section 573 ”.
- 484 In paragraph 4 of Schedule 29A (investment-regulated pension schemes) for sub-paragraph (2) substitute—
- “(2) For the purposes of sub-paragraph (1) whether a person is connected with another person is determined in accordance with section 993 of ITA 2007.”
- 485 In paragraph 11D of Schedule 36 (transitional provisions) for sub-paragraph (5) substitute—
- “(5) For the purposes of this paragraph whether a person is connected with another person is determined in accordance with section 993 of ITA 2007.”

Pensions Act 2004 (c. 35)

- 486 The Pensions Act 2004 is amended as follows.
- 487 In Schedule 3 (restricted information held by the Regulator: certain permitted disclosures to facilitate exercise of functions), in the entry relating to the Commissioners of Inland Revenue or their officers—
- (a) omit the “or” immediately after paragraph (f), and
 - (b) in the second column after paragraph (g) insert “or—

Status: Point in time view as at 10/06/2021.

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(h) the Income Tax Act 2007 (so far as relating to functions previously exercised under the Income and Corporation Taxes Act 1988).”

488 In Schedule 8 (restricted information held by the Board: certain permitted disclosures to facilitate exercise of functions), in the entry relating to the Commissioners of Inland Revenue or their officers—

(a) omit the “or” immediately after paragraph (e), and

(b) in the second column after paragraph (f) insert “or—

(g) the Income Tax Act 2007 (so far as relating to functions previously exercised under the Income and Corporation Taxes Act 1988).”

Constitutional Reform Act 2005 (c. 4)

489 The Constitutional Reform Act 2005 is amended as follows.

490 In paragraph 4 of Schedule 7 (protected functions of the Lord Chancellor) at the end of Part A (general) insert—

“Income Tax Act 2007

Section 704(1)”.

491 In the table in Part 3 of Schedule 14 (appointments by the Lord Chancellor: offices to which paragraph 2(2)(d) of Schedule 12 to the Act applies) at the end add—

“Chairman of section 704 tribunal	Section 704(1) of the Income Tax Act 2007
Member of section 704 tribunal	”

Income Tax (Trading and Other Income) Act 2005 (c. 5)

492 The Income Tax (Trading and Other Income) Act 2005 is amended as follows.

493 In section 1 (overview of Act) omit subsection (2).

494 In section 12(3) (profits of mines etc) for “Chapter 1 of Part 10 of ICTA” substitute “Part 4 of ITA 2007”.

495 (1) Amend section 13 (visiting performers) as follows.

(2) In subsection (8) omit the definitions of “payment” and “transfer”.

(3) After that subsection insert—

“(9) In this section and section 14—

(a) references to a payment include references to a payment by way of loan of money, and

(b) references to a transfer do not include references to a transfer of money but, subject to that, include references to—

(i) a temporary transfer (as by way of loan), and

(ii) a transfer of a right (whether or not a right to receive money).

Status: Point in time view as at 10/06/2021.

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- (10) This section does not apply to payments or transfers of a kind prescribed in regulations under section 966(6) of ITA 2007.”
- 496 In section 17(3) (effect of becoming or ceasing to be a UK resident) for “set off under section 385 of ICTA against” substitute “deducted under section 83 of ITA 2007 from”.
- 497 Omit section 51 (patent royalties).
- 498 (1) Amend section 52 (exclusion of double relief for interest) as follows.
- (2) In subsections (1), (5) and (6) for “section 353 of ICTA” substitute “section 383 of ITA 2007”.
- (3) In subsection (6) for “section 368(3) of ICTA” substitute “section 387(2) and (3) of that Act”.
- 499 In section 87(5) (expenses of research and development) for “section 837A of ICTA” substitute “section 1006 of ITA 2007”.
- 500 In section 108(4) (gifts of trading stock etc to charities) omit paragraphs (c) and (d).
- 501 In section 179(a) (connected persons) for “section 839 of ICTA” substitute “section 993 of ITA 2007”.
- 502 (1) Amend section 232 (treatment of trading adjustment income) as follows.
- (2) In subsection (3) for “Chapter 1 of Part 10 of ICTA” substitute “Part 4 of ITA 2007”.
- (3) In subsection (4) for the words from “the trade” to the end substitute “the trade is relevant UK earnings within section 189(2)(b) of FA 2004, adjustment income is similarly relevant UK earnings.”
- 503 In section 248(3) (debts paid after cessation)—
- (a) for “section 109A(4) or (4A) of ICTA” substitute “section 96 of ITA 2007”, and
- (b) after “expenditure)” insert “as a result of subsection (1)(b) of that section”.
- 504 (1) Amend section 250 (receipts relating to post-cessation expenditure) as follows.
- (2) In subsection (1) for “section 109A of ICTA” substitute “section 96 of ITA 2007”.
- (3) In subsection (2)—
- (a) in paragraph (a) for “section 109A(2)(a) or (b) of ICTA” substitute “section 97(2) or (3) of ITA 2007”,
- (b) in paragraph (b) for “section 109A(2)(c) of ICTA” substitute “section 97(4) of ITA 2007”, and
- (c) in paragraph (c) for “section 109A(2)(d) of ICTA” substitute “section 97(5) of ITA 2007”.
- 505 In section 254(3)(b) (allowable deductions) for “section 90(4) of FA 1995” substitute “section 261D of TCGA 1992”.
- 506 (1) Amend section 256 (treatment of post-cessation receipts) as follows.
- (2) In subsection (1)(b) omit “earned income within section 833(4)(c) of ICTA or”.
- (3) In subsection (2) omit “earned income or”.

Status: Point in time view as at 10/06/2021.

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- 507 In section 272(2) (profits of a property business: application of trading income rules), omit the entry in the table relating to section 51.
- 508 In section 322(2) (commercial letting of furnished holiday accommodation)—
- (a) omit paragraphs (b) and (c), and
 - (b) for paragraph (f) and the “and” immediately before that paragraph substitute—
 - “(f) section 189(2)(ba) of FA 2004 (meaning of “relevant UK earnings” for pension purposes),
 - (g) Part 4 of ITA 2007 (loss relief: see section 127 of that Act), and
 - (h) section 836(3) of ITA 2007 (jointly held property: see exception D).”
- 509 In section 327(2)(b) (capital allowances and loss relief) for “Chapter 1 of Part 10 of ICTA” substitute “ Part 4 of ITA 2007 ”.
- 510 (1) Amend section 328 (earned income and relevant UK earnings for pension purposes) as follows.
- (2) In subsection (2) for “treated as” to the end substitute “ relevant UK earnings within section 189(2)(ba) of FA 2004. ”
 - (3) In the sidenote omit “Earned income and”.
- 511 In section 333(3) (treatment of property business adjustment income) for “Chapter 1 of Part 10 of ICTA” substitute “ Part 4 of ITA 2007 ”.
- 512 In section 354(2) (other rules about what counts as a “post-cessation receipt”)—
- (a) after “section 248 (debts paid after cessation)” insert “ (reading the reference in subsection (3) to section 96 of ITA 2007 as a reference to section 125 of that Act) ”, and
 - (b) after “section 250 (receipts relating to post-cessation expenditure)” insert “ (reading the reference in subsection (1) to section 96 of ITA 2007 as a reference to section 125 of that Act) ”.
- 513 In section 369(4) (charge to tax on interest) for the words from “sections 714(5)” to the end substitute “ Chapter 3 of Part 12 of ITA 2007 (exemption for interest on securities to which Chapter 2 of that Part applies) ”.
- 514 In section 372(2) (building society dividends) for the words from “has” to the end substitute “ includes any distribution (whether or not described as a dividend) ”.
- 515 (1) Amend section 397 (tax credits for qualifying distributions: UK residents and eligible non-UK residents) as follows.
- (2) In subsection (2) omit paragraph (b) and the “or” immediately before it.
 - ^{F129}(3)
 - (4) In subsection (6) for the words from “section 231AA” to “umbrella scheme),” substitute—
 - “section 504(4) of ITA 2007 (disapplication of certain provisions for income of unauthorised unit trusts),
 - section 592 of ITA 2007 (no tax credits for borrower under stock lending arrangement),

Status: Point in time view as at 10/06/2021.

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section 593 of ITA 2007 (no tax credits for interim holder under repo),
 section 594 of ITA 2007 (no tax credits for original owner under repo),”.

Textual Amendments

F129 Sch. 1 para. 515(3) omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of Finance Act 2016 (c. 24), **Sch. 1 para. 63(18)**

^{F130}516

Textual Amendments

F130 Sch. 1 para. 516 omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of Finance Act 2016 (c. 24), **Sch. 1 para. 63(18)**

517 (1) Amend section 400 (non-qualifying distributions) as follows.

^{F131}(2)

(3) After subsection (6) insert—

“(7) Subsection (2) is subject to section 504(4) of ITA 2007 (disapplication of certain provisions for income of unauthorised unit trusts).”

Textual Amendments

F131 Sch. 1 para. 517(2) omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of Finance Act 2016 (c. 24), **Sch. 1 para. 63(18)**

518 In section 401 (relief: qualifying distribution after linked non-qualifying distribution) after subsection (6) insert—

“(6A) The reduction under this section is given effect at Step 6 of the calculation in section 23 of ITA 2007.”

519 In section 410(3)(b) (stock dividend income arising to trustees) for the words from “income” to the end substitute “ accumulated or discretionary income (as defined in section 480 of ITA 2007 but excluding income arising under a trust established for charitable purposes only or an unauthorised unit trust in relation to which section 504 of that Act applies) ”.

^{F132}520

Textual Amendments

F132 Sch. 1 para. 520 omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of Finance Act 2016 (c. 24), **Sch. 1 para. 63(18)**

521 In section 418(5) (loans to participator in close company: relief where borrowers liable as settlors) for “rate applicable to trusts” substitute “ trust rate ”.

^{F133}522

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F133 Sch. 1 para. 522 omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of Finance Act 2016 (c. 24), Sch. 1 para. 63(18)

- 523 (1) Amend section 426 (annuity payments received after deduction of tax) as follows.
- (2) For “Income tax deducted under either of the following sections” substitute “ In accordance with section 848 of ITA 2007 a sum representing income tax deducted under section 901 of that Act ”.
- (3) Omit the words after “recipient”.
- 524 In section 446 (strips of government securities: relief for losses) for subsection (2) substitute—
- “(2) If a person makes a claim under this section, the relief is given by deducting the loss in calculating the person's net income for the tax year in which the disposal occurs (see Step 2 of the calculation in section 23 of ITA 2007).”
- 525 In section 454 (listed securities held since 26th March 2003: relief for losses) for subsection (4) substitute—
- “(4) If a claim under this section is made by a person other than a trustee, the relief is given by deducting the loss in calculating the person's net income for the tax year in which the disposal occurs (see Step 2 of the calculation in section 23 of ITA 2007).”
- 526 (1) Amend section 457 (disposal of deeply discounted securities by trustees) as follows.
- (2) Omit subsection (3).
- (3) For subsection (5) substitute—
- “(5) If the trustees are trustees of a scheme in relation to which section 504 of ITA 2007 applies, subsection (2) does not apply to profits which are shown in the scheme's accounts as income available for payment to unit holders or for investment.”
- 527 In section 459(2) (profits from deeply discounted securities: transfer of assets abroad) for “sections 739 and 740 of ICTA (transfer of assets abroad) have” substitute “ Chapter 2 of Part 13 of ITA 2007 (transfer of assets abroad) has ”.
- 528 In section 460(2) (profits from deeply discounted securities: minor definitions) for “section 709(1)” substitute “ section 840ZA ”.
- 529 After section 465 insert—

“465A Amounts for which individuals liable to be treated as highest part of total income

- (1) This section applies if—
- (a) an individual is liable for tax under this Chapter in respect of an amount, and
- (b) the individual is treated by section 530 as having paid income tax at the savings rate on the amount.

Status: Point in time view as at 10/06/2021.

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- (2) The amount is treated as the highest part of the individual's total income.
- (3) Subsection (2) has effect for all income tax purposes except the purposes of sections 535 to 537 (gains from contracts for life insurance etc: top slicing relief).
- (4) See section 1012 of ITA 2007 (relationship between highest part rules) for the relationship between—
 - (a) the rule in subsection (2), and
 - (b) other rules requiring particular income to be treated as the highest part of a person's total income.”

F134 530

Textual Amendments

F134 Sch. 1 para. 530 omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 35](#)

- 531 (1) Amend section 467 (liability of trustees for tax on gains from contracts for life insurance etc) as follows.
- (2) After subsection (1) insert—
- “(1A) If trustees are liable for tax under this Chapter, the gain is treated for income tax purposes as income of the trustees.”
- (3) For subsection (7) substitute—
- “(7) If trustees are liable for tax under this Chapter, it is charged at the savings rate if—
- (a) condition A is met, or
 - (b) condition D is met and the trustees are trustees of a charitable trust.”
- 532 In section 468 (gains from contracts for life insurance etc: non-UK resident trustees and foreign institutions)—
- (a) in subsection (2) for “Sections 739 and 740”, “prevent” and “apply” substitute “ Chapter 2 of Part 13 of ITA 2007 ”, “prevents” and “applies” respectively, and
 - (b) in subsections (3) and (4) for “sections 739 and 740 apply” substitute “ Chapter 2 of Part 13 of ITA 2007 applies ”.
- 533 In section 482 (excepted group life policies: conditions about persons intended to benefit)—
- (a) in subsection (6) omit the definition of “tax advantage”, and
 - (b) after that subsection insert—
- “(7) In this section “tax advantage” has the meaning given by section 840ZA of ICTA.”
- 534 In section 520(4) (the property categories) after the definition of “internal linked fund” insert—
- ““investment trust” has the meaning given by section 842 of ICTA.”.

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535 (1) Amend section 530 (income tax treated as paid) as follows.

^{F135}(2)

(3) In subsection (4) after “fall to be made” insert “ at Step 2 or 3 of the calculation in section 23 of ITA 2007 (calculation of income tax liability) ”.

Textual Amendments

F135 Sch. 1 para. 535(2) omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 35](#)

536 (1) Amend section 535 (top slicing relief) as follows.

(2) After subsection (2) insert—

“(2A) If the relief is given by a reduction in income tax, it is given effect at Step 6 of the calculation in section 23 of ITA 2007.”

^{F136}(3)

(4) After subsection (6) insert—

“(7) For the purposes of the calculations mentioned in subsection (1) any relief under Chapter 2 or 3 of Part 8 of ITA 2007 (which relate to gift aid and other gifts to charities) is ignored.”

Textual Amendments

F136 Sch. 1 para. 536(3) omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 35](#)

^{F137}537

Textual Amendments

F137 Sch. 1 para. 537 omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 35](#)

^{F138}538

Textual Amendments

F138 Sch. 1 para. 538 omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 35](#)

539 For section 539 (relief for deficiencies) substitute—

“539 Relief for deficiencies

(1) An individual is entitled to a tax reduction for a tax year in which a deficiency arises from a policy or contract on a chargeable event if—

(a) the condition in subsection (2) is met,

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- (b) the individual would (apart from this section) be liable to income tax at the higher rate or the dividend upper rate (or both) for the tax year, and
 - (c) the individual makes a claim.
- (2) The condition is that, if a gain had arisen instead on the chargeable event—
- (a) the individual would have been liable to income tax on the gain for the year, or
 - (b) the individual would have been so liable apart from the requirement in section 465(1) that the individual must be UK resident in the tax year in which the gain arises.
- (3) The tax reduction is given effect at Step 6 of the calculation in section 23 of ITA 2007.
- (4) See section 540 for the cases in which a deficiency is treated as arising from a policy or contract on a chargeable event, section 541 for how the deficiency is calculated and section 469(5) for the apportionment of deficiencies in cases where two or more persons are interested in a policy or contract.
- (5) The amount of the tax reduction is calculated as follows.

Step 1

Attribute to the amount of the deficiency an amount of the individual's income for the tax year which is liable at the dividend upper rate, so far as is possible.

Step 2

If there is an amount of the deficiency remaining after Step 1, attribute to the remaining amount of the deficiency an amount of the individual's savings income for the tax year which is liable at the higher rate, so far as is possible.

Step 3

If there is an amount of the deficiency remaining after Step 2, attribute to the remaining amount of the deficiency an amount of the individual's other income for the tax year which is liable at the higher rate, so far as is possible.

Step 4

Calculate the amount of the individual's preliminary income tax liability for the tax year (see subsection (6)).

Step 5

Calculate the amount of the individual's preliminary income tax liability for the tax year again, on these assumptions—

Assume that any income attributed to the deficiency at Step 1 is liable at the dividend ordinary rate.

Assume that any income attributed to the deficiency at Step 2 is liable at the savings rate.

Assume that any income attributed to the deficiency at Step 3 is liable at the basic rate.

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Step 6

Deduct the amount found at Step 5 from the amount found at Step 4.

The result is the amount of the tax reduction.

(6) The individual's preliminary income tax liability is the amount found by calculating the individual's income tax liability in accordance with section 23 of ITA 2007, ignoring Steps 6 and 7 of that calculation.”

540 In section 546(4) (table of provisions subject to special rules for older policies and contracts), in the first column of the table, for “Section 539(3)” substitute “ Section 539 ”.

F139 541

Textual Amendments

F139 Sch. 1 paras. 541, 542 omitted (6.4.2014) by virtue of [The Unauthorised Unit Trusts \(Tax\) Regulations 2013 \(S.I. 2013/2819\)](#), regs. 1(3), **41(a)** (with reg. 32)

F139 542

Textual Amendments

F139 Sch. 1 paras. 541, 542 omitted (6.4.2014) by virtue of [The Unauthorised Unit Trusts \(Tax\) Regulations 2013 \(S.I. 2013/2819\)](#), regs. 1(3), **41(a)** (with reg. 32)

F140 543

Textual Amendments

F140 Sch. 1 para. 543 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 12 para. 15(3)**

F141 544

Textual Amendments

F141 Sch. 1 para. 544 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 12 para. 15(3)**

F142 545

Textual Amendments

F142 Sch. 1 para. 545 omitted (with effect in accordance with Sch. 25 para. 10 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), **Sch. 25 para. 9(3)(h)(ii)**

546 (1) Amend section 595 (deduction of tax from payments to non-UK residents) as follows.

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- (2) In subsection (2) for the words after “which” substitute “ is to be deducted under section 910 of ITA 2007 ”.
- (3) In subsection (3) for the words after “which” substitute “is to be deducted under section 910 of ITA 2007”.
- 547 In section 601 (how relief for patent expenses is given) after subsection (2) insert—
- “(2A) The deduction or set-off is given effect at Step 2 of the calculation in section 23 of ITA 2007.”
- 548 (1) Amend section 602 (payments received after deduction of tax) as follows.
- (2) For “Income tax deducted under either of the following sections” substitute “ In accordance with section 848 of ITA 2007, a sum representing income tax deducted under either of the following Chapters ”.
- (3) For the words after “recipient” substitute “—
- Chapter 6 of Part 15 of ITA 2007 (deduction from annual payments and patent royalties), and
- Chapter 7 of that Part (deduction from other payments connected with intellectual property).”
- 549 (1) Amend section 618 (payments received after deduction of tax) as follows.
- (2) For “Income tax deducted under either of the following sections” substitute “ In accordance with section 848 of ITA 2007, a sum representing income tax deducted under Chapter 6 of Part 15 of that Act ”.
- (3) Omit the words after “recipient”.
- 550 In section 619(2) (charge to tax on settlor)—
- (a) for “sections 1 to 1B of ICTA” substitute “ Chapter 2 of Part 2 of ITA 2007 (rates at which income tax is charged) ”, and
- (b) for “Tax Acts” substitute “ Income Tax Acts ”.
- 551 After section 619 insert—

“619A Income treated as highest part of settlor's total income

- (1) This section applies to income which is treated as income of a settlor as a result of section 624 (income where settlor retains an interest) or 629 (income paid to unmarried minor children of settlor).
- (2) The income is treated as the highest part of the settlor's total income for the purposes of section 619 (so far as it relates to the income).
- (3) See section 1012 of ITA 2007 (relationship between highest part rules) for the relationship between—
- (a) the rule in subsection (2), and
- (b) other rules requiring particular income to be treated as the highest part of a person's total income.”
- 552 In section 620(5) (which contains various definitions) in the definition of “charity” for the words from “each” to the end substitute—
- “(a) the Trustees of the National Heritage Memorial Fund,

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- (b) the Historic Buildings and Monuments Commission for England, and
- (c) the National Endowment for Science, Technology and the Arts”.
- 553 In section 624 (income where settlor retains an interest in the settlement) after subsection (1) insert—
- “(1A) If the settlement is a trust, expenses of the trustees are not to be used to reduce the income of the settlor.”
- 554 In section 627(2) (income where settlor retains an interest: exceptions), in paragraph (b), for “section 25 of FA 1990 (donations to charity by individuals)” substitute “ Chapter 2 of Part 8 of ITA 2007 (gift aid) ”.
- 555 (1) Amend section 628 (exception for gifts to charities) as follows.
- (2) In subsection (2)—
- (a) in paragraph (a) for “is to” substitute “ must ”, and
- (b) in paragraph (b) omit the words after “person”.
- (3) After that subsection insert—
- “(2A) The cases covered by subsection (2)(b) include cases where the trustees have, or any other person has, any discretion over one or more of the following matters—
- (a) whether, or the extent to which, the income is to be accumulated,
- (b) the persons to whom the income is to be paid, and
- (c) how much of the income is to be paid to any person.”
- (4) In subsection (6)—
- (a) in the definition of “charity” for the words from “each” to the end substitute—
- “(a) the Trustees of the National Heritage Memorial Fund,
- (b) the Historic Buildings and Monuments Commission for England, and
- (c) the National Endowment for Science, Technology and the Arts, and”, and
- (b) omit the definition of “resident” and the “and” immediately after it.
- 556 In section 631(7) (retained and accumulated income) for “the total income” substitute “ the child's total income or net income at Step 2 or 3 of the calculation in section 23 of ITA 2007 ”.
- 557 In section 635(3)(d) (settlements: amounts treated as income of settlor: amount of available income) for “rate applicable to trusts” substitute “ trust rate ”.
- 558 (1) Amend section 636 (calculation of undistributed income) as follows.
- (2) In subsection (6) for “section 505 of ICTA (charities: general)” substitute “ any provision to which subsection (7) applies ”.
- (3) After that subsection insert—
- “(7) This subsection applies to the following provisions of ITA 2007—

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section 521(4) (gifts entitling donor to gift-aid relief),
section 522(5) (gifts of money from companies),
section 523(5) (payments from other charities),
section 524 (profits etc of charitable trades),
section 529 (profits from fund-raising events),
section 530 (profits from lotteries),
section 531 (property income etc),
section 532 (savings and investment income),
section 533 (public revenue dividends),
section 536 (miscellaneous income), and
section 537 (income from estates in administration).”

559 In section 640(1) and (3)(a) (settlements: amounts treated as income of settlor: grossing-up of deemed income) for “rate applicable to trusts” substitute “trust rate”.

560 After section 646 insert—

“646A Trustees' expenses to be rateably apportioned

- (1) This section applies if—
 - (a) in a tax year qualifying income arises under a UK settlement, and
 - (b) the qualifying income consists of charitable income and non-charitable income.
- (2) If expenses of the trustees are to be set against the charitable income by virtue of section 484 of ITA 2007, the amount of those expenses which can be used for that purpose is limited to the amount allocated to the charitable income.
- (3) If—
 - (a) Chapter 8 of Part 9 of ITA 2007 applies in relation to the charitable income, and
 - (b) expenses of the trustees are to be used to reduce the charitable income for income tax purposes,
 the amount of those expenses which can be used for that purpose is limited to the amount allocated to the charitable income.
- (4) For the purposes of subsections (2) and (3) the amount of the expenses allocated to the charitable income is determined by apportioning them rateably between the charitable income and the non-charitable income.
- (5) In this section—

“charitable income” means income within section 628(1) or 630(1),

“non-charitable income” means income which is not charitable income, and

“qualifying income” and “UK settlement” have the same meaning as in section 628.”

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Textual Amendments

F143 Sch. 1 para. 561 omitted (with effect in accordance with s. 4(18) of the amending Act) by virtue of Finance Act 2016 (c. 24), s. 4(14)(a)

562 In section 677 (relief where UK income tax borne by foreign estate: absolute interests) after subsection (2) insert—

“(3) The tax reduction under this section is given effect at Step 6 of the calculation in section 23 of ITA 2007.”

563 In section 678 (relief where UK income tax borne by foreign estate: limited and discretionary interests) after subsection (2) insert—

“(3) The tax reduction under this section is given effect at Step 6 of the calculation in section 23 of ITA 2007.”

^{F144}564

Textual Amendments

F144 Sch. 1 para. 564 omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of Finance Act 2008 (c. 9), Sch. 1 para. 35

^{F145}565

Textual Amendments

F145 Sch. 1 para. 565 omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of Finance Act 2008 (c. 9), Sch. 1 para. 35

566 After section 680 insert—

“680A Income treated as savings income or dividend income

- (1) Subsections (2) and (3) apply to income if it—
 - (a) is treated under section 656(3) or 657(4) (gross amount of estate income treated as bearing tax at the applicable rate) as bearing tax at the savings rate or the dividend ordinary rate, and
 - (b) is not paid through a trustee.
- (2) So far as the income is treated as bearing tax at the savings rate, it is treated as savings income.
- (3) So far as the income is treated as bearing tax at the dividend ordinary rate, it is treated as dividend income.
- (4) Subsections (5) and (6) apply to income if it—
 - (a) is treated by section 662, read with section 656(3) or 657(4), as bearing tax at the savings rate or the dividend ordinary rate, and
 - (b) is paid through a trustee.

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- (5) So far as the income is treated as bearing tax at the savings rate, it is treated as savings income of the trustee.
- (6) So far as the income is treated as bearing tax at the dividend ordinary rate, it is treated as dividend income of the trustee.”
- 567 In section 682 (assessments, adjustments and claims after the administration period) after subsection (4) insert—
- “(4A) The excess charged under subsection (4)(b) is treated as an amount of income for income tax purposes, except so far as it represents a tax reduction given effect at Step 6 of the calculation in section 23 of ITA 2007.”
- 568 In section 684(3) (Chapter 7 of Part 5 subject to section 687 of ICTA) for “section 687 of ICTA” substitute “ section 494 of ITA 2007 ”.
- 569 (1) Amend section 685A (discretionary payments under settlor-interested settlements) as follows.
- (2) In subsection (4) omit paragraph (c) and the “and” immediately before it.
- (3) In subsection (6) for “Section 687 of ICTA” substitute “ Sections 494 and 495 of ITA 2007 ”.
- 570 (1) Amend section 686 (payments received after deduction of tax) as follows.
- (2) In subsection (1)—
- (a) for “Income tax deducted under either of the following sections” substitute “ In accordance with section 848 of ITA 2007, a sum representing income tax deducted under Chapter 6 of Part 15 of that Act ”, and
- (b) omit the words after “recipient”.
- (3) In subsection (2) for “section 687(2) of that Act” substitute “ section 494(3) of ITA 2007 ”.
- 571 In section 704(4)(a) (types of arrangements and providers) for “section 840A(1)(b) of ICTA” substitute “ section 991(2)(b) of ITA 2007 ”.
- 572 In section 714(6) (exemption of profits from FOTRA securities) for “Chapter 3 of Part 17 of ICTA” substitute “ Chapter 2 of Part 13 of ITA 2007 ”.
- 573 In section 724 (regulations) omit subsection (3).
- 574 In section 755(3) (exemption of interest on foreign currency securities etc owned by non-UK residents) for “Chapter 3 of Part 17 of ICTA” substitute “ Chapter 2 of Part 13 of ITA 2007 ”.
- 575 In section 756A(5) (interest on certain deposits of victims of National-Socialist persecution) for “meaning given by section 481(3) of ICTA” substitute “ same meaning as in Chapter 19 of Part 15 of ITA 2007 (see section 983 of that Act) ”.
- 576 In section 757 (interest and royalty payments: introduction) at the end insert—
- “(4) See section 914 of ITA 2007 for provision enabling a company to make a royalty payment gross if it reasonably believes that the payment is exempt from income tax as a result of section 758 of this Act.”
- 577 In section 767(2) (power to amend references to the Directive by order)—

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- (a) for “section 101 of FA 2004” substitute “ sections 914 to 916 of ITA 2007 ”, and
 - (b) for “subsection (9) of that section” substitute “ section 917(2) of that Act ”.
- 578 In section 841 (unremittable income: introduction) for subsection (5) substitute—
- “(5) This Chapter does not apply to accrued income profits which a person is treated as making under Chapter 2 of Part 12 of ITA 2007, but see sections 668 and 669 of that Act (which make similar provision).”
- 579 In section 852(7) (carrying on by partner of notional trade) for “carried forward under section 385 of ICTA and set against” substitute “ deducted under section 83 of ITA 2007 from ”.
- 580 In section 863(2) (limited liability partnerships)—
- (a) in paragraph (a) after “firm” insert “ or partnership ”, and
 - (b) in paragraph (b)—
 - (i) after “members”, in the first place where it occurs, insert “ or partners ”, and
 - (ii) after “firm” insert “ or partnership ”.
- 581 In section 871 (apportionment etc of miscellaneous profits to tax year)—
- (a) in subsection (1)(a) for “section 836B of ICTA” substitute “ section 1016 of ITA 2007 ”, and
 - (b) in subsection (2)—
 - (i) for “section 836B of ICTA” substitute “ section 1016 of ITA 2007 ”, and
 - (ii) for “subsection (4)(a)” substitute “ subsection (3)(a) ”.
- 582 In section 872(3)(a) (losses calculated on same basis as miscellaneous income) for “section 836B of ICTA” substitute “ section 1016 of ITA 2007 ”.
- 583 Omit section 876 (meaning of “farming” and related expressions).
- 584 Omit section 877 (meaning of “grossing up”).
- 585 (1) Amend section 878 (other definitions) as follows.
- (2) In subsection (1)—
 - (a) omit the definition of “charity”,
 - (b) after the definition of “houseboat” insert “ and ”, and
 - (c) omit the words after the definition of “income”.
 - (3) In subsection (5) for “Section 839 of ICTA” substitute “ Section 993 of ITA 2007 ”.
 - (4) In subsection (6) for “Section 840 of ICTA (meaning of control in relation to a body corporate)” substitute “ Section 995 of ITA 2007 (meaning of “control”) ”.
- 586 In section 879 (interpretation: Scotland)—
- (a) in subsection (1) omit the definitions of “assignment” and “surrender” and the “and” immediately before the definition of “surrender”, and
 - (b) omit subsection (2).
- 587 In section 885(3)(c) (general index in Schedule 4) for “ICTA or ITEPA 2003” substitute “ another Act ”.
- 588 In Schedule 2 (transitionals and savings etc) omit paragraph 50(3).

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- 589 (1) Amend paragraph 82 of Schedule 2 (transitionals and savings etc) as follows.
- (2) In paragraph (a) for “section 505(1) of ICTA (exemption from income tax for certain income forming part of the income of a charity)” substitute “ any of sections 521(4), 522(5), 523(5), 524, 529 to 533, 536 and 537 of ITA 2007 (certain exemptions: special rules about charitable trusts) ”.
- (3) In paragraph (b) for the words from “505(3)” to the end substitute “ 541 of that Act (restrictions on exemptions: attributing items of income to the non-exempt amount) ”.
- 590 In paragraph 109(4) of Schedule 2 (transitional provision: contracts in accounting periods beginning before 1st January 1992) for the words from “Section 539(3)” to the end substitute “Section 539 (relief for deficiencies) has effect as if for subsections (1) to (6) there were substituted—
- “(1) A deficiency from a policy or contract arising on a chargeable event is allowable as a deduction in calculating an individual's net income for a tax year if, had a gain arisen instead on the chargeable event—
- (a) the individual would have been liable to income tax on the gain for that year, or
- (b) the individual would have been so liable apart from the requirement in section 465(1) that the individual must be UK resident in the tax year in which the gain arises.
- (2) See section 540 for the cases in which a deficiency is treated as arising from a policy or contract on a chargeable event, section 541 for how the deficiency is calculated and section 469(5) for the apportionment of deficiencies in cases where two or more persons are interested in a policy or contract.””
- 591 In Part 1 of Schedule 4 (abbreviations) in the appropriate place insert—
- | “ITA 2007 | The Income Tax Act 2007” |
|-----------|--------------------------|
|-----------|--------------------------|
- 592 (1) Amend Part 2 of Schedule 4 (index of defined expressions) as follows.
- (2) In the entry for “assignment (in the application of the Act to Scotland)”, in the second column, for “section 879(1)” substitute “ section 1008(1) of ITA 2007 ”.
- (3) In the entry for “authorised unit trust”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (4) In the entry for “basic rate”, in the second column, for “section 832(1) of ICTA” substitute “ section 6(2) of ITA 2007 (as applied by section 989 of that Act) ”.
- (5) In the entry for “body of persons”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (6) In the entry for “building society”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (7) In the entry for “capital allowance”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (8) Omit the entry for “chargeable period”.

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- (9) In the entry for “charity”, in the second column, for “section 878(1)” substitute “section 989 of ITA 2007”.
- (10) Omit the entry for “child”.
- (11) In the entry for “company”, in the second column, for “section 832(1) of ICTA” substitute “section 992 of ITA 2007”.
- (12) In the entry for “connected”, in the second column, for “section 839 of ICTA” substitute “section 993 of ITA 2007”.
- (13) In the entry for “control”—
 - (a) in the first column, omit “(in relation to a body corporate)”, and
 - (b) in the second column, for “section 840 of ICTA” substitute “section 995 of ITA 2007”.
- (14) In the entry for “distribution”, in the second column, for “section 832(1) of ICTA” substitute “section 989 of ITA 2007”.
- (15) In the entry for “the dividend ordinary rate”, in the second column, for “section 832(1) of ICTA” substitute “section 8(1) of ITA 2007 (as applied by section 989 of that Act)”.
- (16) In the entry for “the dividend trust rate”, in the second column, for “section 832(1) of ICTA” substitute “section 9(2) of ITA 2007 (as applied by section 989 of that Act)”.
- (17) In the entry for “the dividend upper rate”, in the second column, for “section 832(1) of ICTA” substitute “section 8(2) of ITA 2007 (as applied by section 989 of that Act)”.
- (18) In the entry for “estate in land (in relation to any land in Scotland)”, in the second column, for “section 832(1) of ICTA” substitute “section 1008(1) of ITA 2007”.
- (19) In the entry for “farming”, in the second column, for “section 876” substitute “section 996 of ITA 2007”.
- (20) In the entry for “for accounting purposes”, in the second column, for “section 832(1) of ICTA” substitute “section 997 of ITA 2007”.
- (21) In the entry for “forestry”, in the second column, for “section 876(3)” substitute “section 996(3) of ITA 2007”.
- (22) In the entry for “generally accepted accounting practice”, in the second column, for “section 832(1) of ICTA and section 50 of FA 2004” substitute “section 997 of ITA 2007”.
- (23) In the entry for “grossing up”, in the second column, for “section 877” substitute “section 998 of ITA 2007”.
- (24) In the entry for “higher rate”, in the second column, for “section 832(1) of ICTA” substitute “section 6(2) of ITA 2007 (as applied by section 989 of that Act)”.
- (25) Omit the entry for “interest”.
- (26) In the entry for “international accounting standards”, in the second column, for “section 832(1) of ICTA and section 50(2) of FA 2004” substitute “section 997 of ITA 2007”.

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- (27) Omit the entry for “investment trust”.
- (28) In the entry for “local authority”, in the second column, for “section 842A of ICTA” substitute “ section 999 of ITA 2007 ”.
- (29) Omit the entry for “lower rate”.
- (30) In the entry for “market gardening”, in the second column, for “section 876(5)” substitute “ section 996(5) of ITA 2007 ”.
- (31) In the entry for “non-UK resident”, in the second column, for “section 878(1)” substitute “ section 989 of ITA 2007 ”.
- (32) In the entry for “normal self-assessment filing date”, in the second column, for “section 878(1)” substitute “ section 989 of ITA 2007 ”.
- (33) In the entry for “notice”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (34) In the entry for “oil and gas exploration and appraisal”, in the second column, for “section 837B of ICTA” substitute “ section 1003 of ITA 2007 ”.
- (35) In the entry for “ordinary share capital”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (36) In the entry for “period of account”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (37) In the entry for “permanent establishment”, in the second column, for “section 832(1) of ICTA and section 148 of FA 2003” substitute “ section 148 of FA 2003 (as applied by section 989 of ITA 2007) ”.
- (38) In the entry for “personal representatives”, in the second column, for “section 878(1)” substitute “ section 989 of ITA 2007 ”.
- (39) In the entry for “profits or gains”, in the second column, for “section 833(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (40) In the entry for “property or rights held on trust or on trusts (in the application of the Act to Scotland)”, in the second column, for “section 879(2)” substitute “ section 1008(2) of ITA 2007 ”.
- (41) In the entry for “qualifying distribution”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (42) In the entry for “qualifying policy”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (43) Omit the entry for “the rate applicable to trusts”.
- (44) In the entry for “recognised stock exchange”, in the second column, for “section 841(1) of ICTA” substitute “ section 1005 of ITA 2007 ”.
- (45) In the entry for “registered pension scheme”, in the second column, for “section 832(1) of ICTA and section 150(2) of FA 2004” substitute “ section 150(2) of FA 2004 (as applied by section 989 of ITA 2007) ”.

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- (46) In the entry for “retail prices index”, in the second column, for “section 833(2) of ICTA” substitute “ section 989 of ITA 2007 ”.
- ^{F146}(47)
- (48) In the entry for “Schedule A business”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- ^{F147}(49)
- (50) In the entry for “stepchild”, in the second column, for “section 832(1) of ICTA” substitute “ section 246 of the Civil Partnership Act 2004 (as applied by section 989 of ITA 2007) ”.
- (51) In the entry for “surrender (in the application of the Act to Scotland)”, in the second column, for “section 879(1)” substitute “ section 1008(1) of ITA 2007 ”.
- (52) In the entry for “tax year”, in the second column, for “section 878(1)” substitute “ section 4(2) of ITA 2007 (as applied by section 989 of that Act) ”.
- (53) In the entry for “the tax year 2005-06 etc”, in the second column, for “section 878(1)” substitute “ section 4(4) of ITA 2007 (as applied by section 989 of that Act) ”.
- (54) In the entry for “total income” for “section 835(1) of ICTA” substitute “ section 23 of ITA 2007 (as applied by section 989 of that Act) ”.
- (55) In the entry for “trade”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (56) After the entry for “transfer of work in progress” insert—
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- | | |
|-------------|---|
| “trust rate | section 9(1) of ITA 2007 (as applied by section 989 of that Act)” |
|-------------|---|
-
- (57) In the entry for “UK resident”, in the second column, for “section 878(1)” substitute “ section 989 of ITA 2007 ”.
- (58) In the entry for “unit holder”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (59) In the entry for “unit trust scheme”, in the second column, for “section 832(1) of ICTA” substitute “ section 1007 of ITA 2007 ”.
- (60) In the entry for “United Kingdom”, in the second column, for “section 830(1) of ICTA” substitute “ section 1013 of ITA 2007 ”.
- (61) In the entry for “venture capital trust”, in the second column, for “section 842AA(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (62) In the entry for “within the charge to tax”, in the second column, for “section 832(1) of ICTA” substitute “ section 1009 of ITA 2007 ”.
- (63) In the entry for “woodlands”, in the second column, for “section 876(4)” substitute “ section 996(4) of ITA 2007 ”.

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Textual Amendments

- F146** Sch. 1 para. 592(47) omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 35](#)
- F147** Sch. 1 para. 592(49) omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 35](#)

Finance Act 2005 (c. 7)

- 593 The Finance Act 2005 is amended as follows.
- 594 In section 26 (amount of relief for trustees of property held on trust for vulnerable persons) at the beginning insert “(1)” and at the end insert—
 - “(2) The tax reduction is given effect at Step 6 of the calculation in section 23 of ITA 2007.”
- 595 (1) Amend section 27 (tax liability of trustees of property held on trust for vulnerable persons) as follows.
 - (2) In subsection (2)—
 - (a) in paragraph (b) for the words from “any expenses” to the end substitute “allowable expenses”, and
 - (b) for “management” substitute “allowable”.
 - (3) After that subsection insert—
 - “(2A) References in subsection (2) to allowable expenses are to expenses which can be set against the total income in accordance with Chapter 4 of Part 9 of ITA 2007.”
- 596 In section 41(1) (interpretation of Chapter 4 of Part 2) in the definition of “tax year” omit paragraph (a) and the “and” immediately after it.
- F148**597

Textual Amendments

- F148** Sch. 1 paras. 597-599 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 10 Pt. 7](#) (with [Sch. 9 paras. 1-9, 22](#))

F148598

Textual Amendments

- F148** Sch. 1 paras. 597-599 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 10 Pt. 7](#) (with [Sch. 9 paras. 1-9, 22](#))

F148599

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Textual Amendments

F148 Sch. 1 paras. 597-599 repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 10 Pt. 7 (with Sch. 9 paras. 1-9, 22)

- 600 Omit sections 74 to 78 (partners: recovery of excess relief).
- 601 In section 105 (interpretation) after the definition of “IHTA 1984” insert—
- ““ITA 2007” means the Income Tax Act 2007;”.
- 602 (1) Amend Schedule 2 (alternative finance arrangements: further provisions) as follows.
- (2) Omit paragraphs 3, 5 and 6.
- (3) After paragraph 10 insert—

“Income Tax Act 2007

- 11 Chapter 2 of Part 15 of ITA 2007 (deduction of income tax at source: deduction by deposit-takers and building societies) (and Chapter 19 of that Part so far as it has effect for the purposes of Chapter 2) have effect as if—
- (a) relevant arrangements were a deposit,
- (b) for the purposes of section 866(2)(a) of that Act, relevant arrangements were a deposit consisting of a loan, and
- (c) alternative finance return or profit share return payable under relevant arrangements were interest.
- 12 Chapters 3 to 5 of Part 15 of ITA 2007 (and Chapter 19 of that Part so far as it has effect for the purposes of those Chapters) have effect in relation to alternative finance return or profit share return as they have effect in relation to interest.
- 13 In Chapter 12 of Part 15 of ITA 2007 (funding bonds) references to interest include references to alternative finance return or profit share return.”

Finance (No. 2) Act 2005 (c. 22)

- 603 The Finance (No. 2) Act 2005 is amended as follows.
- 604 (1) Amend section 7 (charge to income tax on social security pension lump sum) as follows.
- (2) In subsection (5) for “total income” in each place substitute “ Step 3 income ”.
- (3) At the end insert—
- “(9) For the purposes of this section P's “Step 3 income” means P's net income less allowances deducted at Step 3 of the calculation in section 23 of ITA 2007 (calculation of income tax liability).”
- 605 In section 18(3)(b)(i) (authorised investment funds etc: section 17(3): specific powers) for “506(1) of ICTA” substitute “ 989 of ITA 2007 ”.
- 606 In section 71 (interpretation) after the definition of “ICTA” insert—
- ““ITA 2007” means the Income Tax Act 2007;”.

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Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1))

- 607 The Pensions (Northern Ireland) Order 2005 is amended as follows.
- 608 In Schedule 3 (restricted information held by the Regulator: certain permitted disclosures to facilitate exercise of functions), in the entry relating to the Commissioners of Inland Revenue or their officers, in the second column—
- (a) omit the “or” immediately after paragraph (f), and
 - (b) after paragraph (g) insert “, or
 - (h) the Income Tax Act 2007 (so far as relating to functions previously exercised under the Income and Corporation Taxes Act 1988).”
- 609 In Schedule 7 (restricted information held by the Board: certain permitted disclosures to facilitate exercise of functions), in the entry relating to the Commissioners of Inland Revenue or their officers, in the second column—
- (a) omit the “or” immediately after paragraph (e), and
 - (b) after paragraph (f) insert “, or
 - (g) the Income Tax Act 2007 (so far as relating to functions previously exercised under the Income and Corporation Taxes Act 1988).”

Finance Act 2006 (c. 25)

- 610 The Finance Act 2006 is amended as follows.
- 611 In section 34 (meaning of certain expressions for the purposes of Chapter 3 of Part 3) for subsection (4) substitute—
- “(4) For the purposes of subsection (3) whether a person is connected with another person is determined in accordance with section 839 of ICTA (connected persons).”
- 612 In section 65(3) (London Organising Committee) for “Section 349(1) of ICTA (annual payments: deductions of tax)” substitute “ The duties to deduct under Chapters 6, 7, 10 and 14 of Part 15 of ITA 2007 (deduction of income tax at source) ”.
- 613 In section 67 (International Olympic Committee)—
- (a) in subsection (1)(c), for “section 349(1) and (2) of ICTA (annual payments: deductions of tax)” substitute “ the duties to deduct under Chapters 3, 6, 7, 10 and 14 of Part 15 of ITA 2007 (deduction of income tax at source) ”, and
 - (b) in subsection (2)(c), for “section 349(1) and (2) of ICTA” substitute “ the duties to deduct under Chapters 3, 6, 7, 10 and 14 of Part 15 of ITA 2007 (deduction of income tax at source) ”.
- 614 In section 68(1)(d) (competitors and staff) for “section 349(1) of ICTA (annual payments: deductions of tax)” substitute “ the duties to deduct under Chapters 6, 7, 10 and 14 of Part 15 of ITA 2007 (deduction of income tax at source) ”.
- 615 Omit section 75 (tax avoidance: interest relief and film partnerships).

F149 616

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Textual Amendments

F149 Sch. 1 paras. 616-620 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F149 617

Textual Amendments

F149 Sch. 1 paras. 616-620 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F149 618

Textual Amendments

F149 Sch. 1 paras. 616-620 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F149 619

Textual Amendments

F149 Sch. 1 paras. 616-620 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F149 620

Textual Amendments

F149 Sch. 1 paras. 616-620 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

621 (1) Amend section 139 (manufactured dividends) as follows.

F150 (2)

(3) In subsection (2)—

F151(a)

F151(b)

(c) in the new paragraph 2(2B) of that Schedule omit paragraph (d),

(d) omit the new sub-paragraphs (2C) to (2E) of paragraph 2 of that Schedule.

(4) Omit subsections (3) and (4).

Textual Amendments

F150 Sch. 1 para. 621(2) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

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F151 Sch. 1 para. 621(3)(a)(b) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

- 622 In section 179 (interpretation) after the definition of “IHTA 1984” insert—
““ITA 2007” means the Income Tax Act 2007;”.
- 623 In Schedule 5 (film tax relief: further provisions) in paragraph 9(4)(b) for “555 of ICTA (foreign entertainers)” substitute “ 966 of ITA 2007 (visiting performers) ”.
- 624 In paragraph 27(1) of Schedule 8 (long funding leases of plant and machinery) for “section 840 of ICTA” in both places where it occurs substitute “ section 574 of CAA 2001 ”.
- 625 In Schedule 13 (settlements) omit paragraph 37.
- ^{F152}626

Textual Amendments
F152 Sch. 1 para. 626 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

PART 3

AMENDMENT HAVING EFFECT IN RELATION TO SHARES ISSUED AFTER 5 APRIL 2007

Income and Corporation Taxes Act 1988 (c. 1)

- 627 Omit Chapter 3 of Part 7 of the Income and Corporation Taxes Act 1988 (Enterprise Investment Scheme), except section 305A.

SCHEDULE 2

Section 1034

TRANSITIONALS AND SAVINGS

PART 1

GENERAL PROVISIONS

Continuity of the law: general

- 1 The repeal of provisions and their enactment in a rewritten form by this Act does not affect the continuity of the law.
- 2 Paragraph does not apply to any change made by this Act in the effect of the law.
- 3 Any subordinate legislation or other thing which—
 - (a) has been made or done, or has effect as if made or done, under or for the purposes of a superseded enactment so far as it applied for relevant tax purposes, and

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- (b) is in force or effective immediately before the commencement of the corresponding rewritten provision,
has effect after that commencement as if made or done under or for the purposes of the rewritten provision.
- 4 (1) Any reference (express or implied) in this Act, another enactment or an instrument or document to a rewritten provision is to be read as including, in relation to times, circumstances or purposes in relation to which any corresponding superseded enactment had effect for relevant tax purposes, a reference to the superseded enactment so far as applying for those relevant tax purposes.
- (2) Any reference (express or implied) in this Act, another enactment or an instrument or document to—
- (a) things done under or for the purposes of a rewritten provision, or
- (b) things falling to be done under or for the purposes of a rewritten provision,
is to be read as including, in relation to times, circumstances or purposes in relation to which any corresponding superseded enactment had effect for relevant tax purposes, a reference to things done or falling to be done under or for the purposes of the superseded enactment so far as applying for those relevant tax purposes.
- 5 (1) Any reference (express or implied) in any enactment, instrument or document to a superseded enactment in its application for relevant tax purposes is to be read, so far as is required for those relevant tax purposes, as including, in relation to times, circumstances or purposes in relation to which any corresponding rewritten provision has effect, a reference to the rewritten provision.
- (2) Any reference (express or implied) in any enactment, instrument or document to—
- (a) things done under or for the purposes of a superseded enactment in its application for relevant tax purposes, or
- (b) things falling to be done under or for the purposes of a superseded enactment in its application for relevant tax purposes,
is to be read, so far as is required for those relevant tax purposes, as including, in relation to times, circumstances or purposes in relation to which any corresponding rewritten provision has effect, a reference to things done or falling to be done under or for the purposes of the rewritten provision.
- 6 (1) Paragraphs 1 to 5 have effect instead of section 17(2) of the Interpretation Act 1978 (c. 30) (but are without prejudice to any other provision of that Act).
- (2) Paragraphs 4 and 5 apply only so far as the context permits.

General saving for old transitional provisions and savings

- 7 (1) The repeal by this Act of a transitional or saving provision relating to the coming into force of a provision rewritten in this Act does not affect the operation of the transitional or saving provision, so far as it is not specifically rewritten in this Act but remains capable of having effect in relation to the corresponding provision of this Act.
- (2) The repeal by this Act of an enactment previously repealed subject to savings does not affect the continued operation of those savings.

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- (3) The repeal by this Act of a saving on the previous repeal of an enactment does not affect the operation of the saving so far as it is not specifically rewritten in this Act but remains capable of having effect.

Partnerships involving companies

- 8 (1) References in this Act to any person are to be read, in the case of a person acting in partnership with other persons of whom at least one is a company chargeable to corporation tax, as references to all the partners so far as is required for the purposes of preserving the continuity of the law.
- (2) References to a company or other person in any provision amended in its application for corporation tax purposes by this Act are to be read, in the case of a company acting in partnership with other persons of whom at least one is not a company, as references to all the partners so far as is required for the purposes of preserving the continuity of the law.

Interpretation

- 9 (1) In this Part—
- “enactment” includes subordinate legislation (within the meaning of the Interpretation Act 1978 (c. 30)),
- “relevant tax purposes” means, in relation to a superseded enactment, tax purposes for which the enactment has been rewritten by this Act, and
- “superseded enactment” means an earlier enactment which has been rewritten by this Act for certain tax purposes (whether it applied only for those purposes or for those and other tax purposes).
- (2) References in this Part to the repeal of a provision include references to its revocation and to its express or implied disapplication for income tax purposes of this Act.
- (3) References in this Part to tax purposes are not limited to income tax purposes.

PART 2

CHANGES IN THE LAW

- 10 (1) This paragraph applies if, in the case of any person—
- (a) a thing is done or an event occurs before 6 April 2007, and
- (b) because of a change in the law made by this Act, the tax consequences of that thing or event for the relevant period are different from what they would otherwise have been.
- (2) If that person so elects, this Act applies with such modifications as may be necessary to secure that the tax consequences for the relevant period are the same as they would have been if the change in the law had not been made.
- (3) In sub-paragraphs (1) and (2) “the relevant period” means—
- (a) for income tax purposes, any period of account beginning before and ending on or after 6 April 2007, and
- (b) for corporation tax purposes, any accounting period beginning before and ending on or after 6 April 2007.

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- (4) If this paragraph applies in the case of two or more persons in relation to the same thing or event, an election made under this paragraph by any one of those persons is of no effect unless a corresponding election is made by the other or each of the others.
- (5) An election under this paragraph must be made—
 - (a) for income tax purposes, on or before the first anniversary of the normal self-assessment filing date for the tax year in which the period of account ends, and
 - (b) for corporation tax purposes, not later than two years after the end of the accounting period.

PART 3

RATES AT WHICH INCOME TAX IS CHARGED

- 11 In relation to a tax year before 2007-08—
 - (a) references in this Act, another enactment or an instrument or document to the savings rate are to be read as references to the lower rate, and
 - (b) references in this Act, another enactment or an instrument or document to the trust rate are to be read as references to the rate applicable to trusts.
- 12 In relation to the tax year 2007-08 or any subsequent tax year—
 - (a) references in an enactment, instrument or document to the lower rate are to be read as references to the savings rate, and
 - (b) references in an enactment, instrument or document to the rate applicable to trusts are to be read as references to the trust rate.
- 13 In this Part “enactment” includes subordinate legislation (within the meaning of the Interpretation Act 1978 (c. 30)).

^{F153}PART 4

PERSONAL RELIEFS

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Textual Amendments

F153 Sch. 2 Pt. 4 omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), Sch. 1 para. 6(o)(vii)

PART 5

LOSSES (EXCEPT LOSSES ON DISPOSAL OF SHARES)

General: carry forward loss reliefs

- 18 (1) The repeal by this Act of the superseded carry forward provisions does not alter the effect of those provisions so far as they determine—
 - (a) whether, and

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- (b) to what extent,
relief for any loss made (or treated as made) in a tax year before the tax year 2007-08 is to be given for the tax year 2007-08 or any subsequent tax year.
- (2) But any relief for the loss (or any part of the loss) which is given for the tax year 2007-08 or any subsequent tax year is to be given in accordance with the relevant provisions of Part 4 of this Act.
- (3) In this paragraph “the superseded carry forward provisions” means—
- (a) sections 379A and 379B of ICTA (carry forward of loss in Schedule A business or overseas property business),
 - (b) sections 385, 387, 390 and 391 (so far as applying to section 385) of ICTA (carry forward of loss in trade, profession or vocation),
 - (c) section 392(2)(b) and (5) of ICTA (carry forward of miscellaneous loss), and
 - (d) any provision inserting or amending, or affecting the application of, any of the above provisions.

Trade loss relief against general income

- 19 (1) This paragraph applies for the purposes of section 64 if the loss is made in the tax year 2007-08.
- (2) Relief for the loss can be given for the tax year 2006-07.
- (3) Sub-paragraphs (4) and (5) apply if relief for the loss is claimed for the tax year 2006-07.
- (4) If relief is to be given, the relief is given in the way it would have been given had it been given under section 380(1)(b) of ICTA ignoring this Act (and section 65 of this Act is to be read accordingly).
- (5) Section 72 of FA 1991 applies as if the relief had been claimed under section 380(1)(b) of ICTA.
- 20 (1) This paragraph applies if—
- (a) a person makes a loss (“the 2006-07 loss”) in a trade in the tax year 2006-07,
 - (b) relief under section 380 of ICTA is not available for the 2006-07 loss because of section 384(1) of that Act,
 - (c) the person makes a loss (“the 2007-08 loss”) in the trade in the tax year 2007-08,
 - (d) (apart from this paragraph) relief under section 64 of this Act is not available for the 2007-08 loss because of section 66 of this Act,
 - (e) the basis period for the tax year 2007-08 overlaps with the tax year 2006-07, and
 - (f) ignoring this Act, section 384(1) of ICTA would not have prevented relief under section 380 of that Act being available for the 2007-08 loss.
- (2) Section 66 of this Act is not to apply in relation to the 2007-08 loss.
- (3) This paragraph applies to professions and vocations as it applies to trades.

Status: Point in time view as at 10/06/2021.

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Early trade losses relief

- 21 (1) This paragraph applies for the purposes of section 72 if the loss is made in the tax year 2007-08, 2008-09 or 2009-10.
- (2) Relief for the loss can be given for one or more of the tax years 2004-05, 2005-06 and 2006-07 (depending on the tax year in which the loss is made).
- (3) If relief for the loss is to be given for one or more of those tax years, the relief is given in the way in which it would have been given had it been given under section 381 of ICTA ignoring this Act (and section 73 of this Act is to be read accordingly).
- 22 (1) This paragraph applies if—
- (a) a person makes a loss (“the 2006-07 loss”) in a trade in the tax year 2006-07,
 - (b) relief under section 381 of ICTA is not available for the 2006-07 loss because of subsection (4) of that section,
 - (c) the person makes a loss (“the 2007-08 loss”) in the trade in the tax year 2007-08,
 - (d) (apart from this paragraph) relief under section 72 of this Act is not available for the 2007-08 loss because of section 74(1) of this Act,
 - (e) the basis period for the tax year 2007-08 overlaps with the tax year 2006-07, and
 - (f) ignoring this Act, subsection (4) of section 381 of ICTA would not have prevented relief under that section being available for the 2007-08 loss.
- (2) Section 74(1) of this Act is not to apply in relation to the 2007-08 loss.
- (3) This paragraph applies to professions and vocations as it applies to trades.

Sideways relief: trade leasing allowances given to individuals

- 23 (1) This paragraph applies if—
- (a) a person makes a loss (“the 2006-07 loss”) in a trade in the tax year 2006-07,
 - (b) relief under section 380 or 381 of ICTA is not available for the 2006-07 loss (or for part of it) because of section 384(6) of that Act,
 - (c) the person makes a loss (“the 2007-08 loss”) in the trade in the tax year 2007-08,
 - (d) (apart from this paragraph) relief under section 64 or 72 of this Act is not available for the 2007-08 loss (or for part of it) because of section 75 of this Act,
 - (e) the basis period for the tax year 2007-08 overlaps with the tax year 2006-07, and
 - (f) ignoring this Act, section 384(6) of ICTA would not have prevented relief under section 380 or 381 of that Act being available for the 2007-08 loss (or for the part).
- (2) Section 75 of this Act is not to apply in relation to the 2007-08 loss (or to the part).

Sideways relief: dealings in commodity futures

- 24 Section 81 does not apply if the arrangements mentioned in that section were made wholly before 6 April 1976.

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Terminal trade loss relief

- 25 (1) This paragraph applies for the purposes of section 89 if the final tax year is the tax year 2007-08, 2008-09 or 2009-10.
- (2) Relief for the terminal losses in question can be given for one or more of the tax years 2004-05, 2005-06 and 2006-07 (depending on which tax year is the final tax year).
- (3) If relief for the terminal losses is to be given for one or more of those tax years, the relief is given in the way in which it would have been given had it been given under section 388 of ICTA ignoring this Act (and section 91 of this Act is to be read accordingly).

Post-cessation trade loss relief and post-cessation property relief

- 26 The events covered by section 98(5) (including as applied by section 125(6)(b)) include events—
- (a) which occur before the tax year 2007-08, and
- (b) in relation to which no claim is made under section 109A of ICTA.

Reliefs for limited partners not to exceed contribution to the firm

- 27 (1) The relief covered by section 104(5) includes—
- (a) relief given for a loss as a result of section 380 or 381 of ICTA,
- (b) any amount that, ignoring this Act, would have been included in the individual's aggregate amount in relation to the trade for the purposes of section 117 of ICTA as a result of paragraph 22(3) of Schedule 2 to CAA 2001, and
- (c) the treatment of a loss as an allowable loss by virtue of section 72 of FA 1991.
- (2) The income covered by section 104(6) includes amounts treated as received as a result of the application of section 74 of FA 2005.

Reliefs for members of LLPs not to exceed contribution to the LLP

- 28 (1) The relief covered by section 107(6) includes—
- (a) relief given for a loss as a result of section 380 or 381 of ICTA, and
- (b) the treatment of a loss as an allowable loss by virtue of section 72 of FA 1991.
- (2) The income covered by section 107(7) includes amounts treated as received as a result of the application of section 74 of FA 2005.

Members of LLPs: carry-forward of losses

- 29 (1) The amounts of loss covered by section 109(1)(b) include amounts of loss which, as a result of section 117 of ICTA (as applied by section 118ZB of that Act), are not—
- (a) relieved under section 380 or 381 of ICTA, or
- (b) treated as an allowable loss by virtue of section 72 of FA 1991.
- (2) In section 109(3)—
- (a) references to section 109 include references to section 118ZD of ICTA,
- (b) references to sideways relief include references to relief under section 380 or 381 of ICTA, and

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- (c) references to capital gains relief include references to the treatment of a loss as an allowable loss by virtue of section 72 of FA 1991.

Reliefs for non-active partners not to exceed contribution to the firm

- 30 (1) The relief covered by section 110(5) includes—
 - (a) relief given for a loss as a result of section 380 or 381 of ICTA, and
 - (b) the treatment of a loss as an allowable loss by virtue of section 72 of FA 1991.
- (2) Sub-paragraph (1) is subject to paragraph 33.
- (3) The income covered by section 110(6) includes amounts treated as received as a result of the application of section 74 of FA 2005.

Non-active partners: carry-forward of losses

- 31 (1) The amounts of loss covered by section 113(1)(b) include amounts of loss which, as a result of section 118ZE of ICTA, are not—
 - (a) relieved under section 380 or 381 of ICTA, or
 - (b) treated as an allowable loss by virtue of section 72 of FA 1991.
- (2) In section 113(4)—
 - (a) references to section 113 include references to section 118ZI of ICTA,
 - (b) references to sideways relief include references to relief under section 380 or 381 of ICTA, and
 - (c) references to capital gains relief include references to the treatment of a loss as an allowable loss by virtue of section 72 of FA 1991.
- (3) In section 113(8) the reference to section 109 includes a reference to section 118ZD of ICTA.

Restriction on reliefs for non-active partners: pre-10 February 2004 events

- 32 In Chapter 3 of Part 4 any reference to an early tax year in relation to an individual carrying on a trade does not include a tax year the basis period for which ends before 10 February 2004.
- 33 (1) Sub-paragraphs (2) to (9) set out relief which is not covered by section 110(5) (relevant relief).
- (2) Relief is not covered if it is given for a loss made in a trade in a tax year the basis period for which ends before 10 February 2004.
- (3) Sub-paragraphs (4) to (9) apply if the individual carried on a trade in a tax year the basis period for which includes 10 February 2004.
- (4) Relief given for a loss made in the trade is not covered so far as the loss derives from an allowance or deduction within sub-paragraph (5).
- (5) An allowance or deduction is within this sub-paragraph if it is—
 - (a) a capital allowance in respect of expenditure incurred before 10 February 2004 which is treated as an expense of the trade, or

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- (b) a deduction in respect of expenditure incurred before 10 February 2004 under section 42(1) of F(No.2)A 1992 or any of sections 138 to 140 of ITTOIA 2005.
- (6) For the purposes of sub-paragraph (4) the amount of a loss that derives from an allowance or deduction within sub-paragraph (5) is determined on a just and reasonable basis.
- (7) Relief given for a loss made in the trade is not covered so far as it is given for the pre-announcement allowance in relation to the trade.
- (8) “Pre-announcement allowance” is to be read in accordance with section 118ZJ(4) and (6) to (8) of ICTA.
- (9) For that purpose, references to the first restricted year are to be read as references to the tax year mentioned in sub-paragraph (3).
- If sub-paragraph (3) covers more than one tax year, the first restricted year is the first of the tax years covered.
- (10) Sub-paragraph (11) applies for the purpose of applying the restriction in section 110(4) (relevant relief not to exceed contribution to the firm) in relation to an individual if before 10 February 2004 the individual contributed an amount of capital to the firm.
- (11) That amount of capital is reduced (but not below nil)—
- (a) by the amount of relief (if any) to be left out of account for the purposes of section 110(5) as a result of paragraph 32 or this paragraph (ignoring sub-paragraph (4)), and
 - (b) by any pre-announcement allowance so far as—
 - (i) relief has not been given for the allowance, and
 - (ii) had relief been given for the allowance, the relief would have to be left out of account for the purposes of section 110(5)(b) as mentioned in paragraph (a).

Regulations under section 114

- 34 (1) The provision which may be made in regulations under section 114 does not include provision affecting the amount of relief that may be given for a loss made in a trade that is not a post-1 December 2004 loss (as determined in accordance with section 795).
- (2) The repeal by this Act of sections 118ZN and 118ZO of ICTA (or any provision inserting or amending, or affecting the application of, those sections) does not affect the power of the Commissioners for Her Majesty's Revenue and Customs to make regulations under section 118ZN having effect before the tax year 2007-08.

Application of existing regulations under sections 114 and 802

- 35 (1) After the commencement of sections 114 and 802, the Partnerships (Restrictions on Contributions to a Trade) Regulations 2005 (S.I. 2005/2017) have effect as if made under those sections.
- (2) The Regulations so have effect subject to the following modifications.

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- (3) They have effect as if in regulation 2—
- (a) in the definition of “bank” for “section 840A of ICTA” there were substituted “ section 991 of ITA 2007 ”,
 - (b) for the definition of “contribution to the relevant trade” there were substituted—
 - ““capital contribution”—
 - (a) for the purposes of section 114 of ITA 2007, means the contribution to the firm for the purposes of section 104 or 110 of that Act or the contribution to the LLP for the purposes of section 107 of that Act, and
 - (b) for the purposes of section 802 of ITA 2007, has the meaning given by section 801(3) of that Act;”, and
 - (c) for the definition of “ICTA” there were substituted—
 - ““ITA 2007” means the Income Tax Act 2007;”.
- (4) They have effect as if in regulations 3 to 6 for “contribution to the relevant trade”, wherever occurring, there were substituted “ capital contribution ”.
- (5) They have effect as if—
- (a) in regulation 3(a) for “section 118ZN of ICTA” there were substituted “ section 114(1)(a) and (b) of ITA 2007 ”, and
 - (b) in regulation 3(b) for the words from “section 119” to the end there were substituted “ section 797 of ITA 2007 as mentioned in section 802(2) of that Act ”.
- (6) They have effect as if in regulation 6(c) for “the trade” there were substituted “ a trade ”.

Losses in an employment or office

- 36 (1) This paragraph applies for the purposes of section 128 if the loss is made in the tax year 2007-08.
- (2) Relief for the loss can be given for the tax year 2006-07.
- (3) Sub-paragraphs (4) and (5) apply if relief for the loss is claimed for the tax year 2006-07.
- (4) If relief is to be given, the relief is given in the way it would have been given had it been given under section 380(1)(b) of ICTA ignoring this Act (and section 129 of this Act is to be read accordingly).
- (5) Section 72 of FA 1991 applies as if the relief had been claimed under section 380(1)(b) of ICTA.

Loss relief against miscellaneous income: Case VI losses

- 37 (1) This paragraph applies if a person makes a loss in any transaction—
- (a) which was of such a nature that, if any profits had arisen from it, the person would have been liable to income tax under Case VI of Schedule D for any tax year before the tax year 2005-06, and
 - (b) which did not fall within section 34, 35 or 36 of ICTA.

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- (2) So far as relief for the loss has not previously been given, the loss (or the unused part of it) is to be treated as a loss available for deduction in accordance with section 153.

PART 6

LOSSES ON DISPOSAL OF SHARES

Qualifying trading companies

- 38 (1) In relation to shares issued before 17 March 2004, section 134(2)(a) applies with the omission of sub-paragraph (iv) and the “and” immediately before it.
- (2) In relation to shares issued before 6 April 1998, section 134 applies with the substitution for subsections [^{F154}(2) to (4)] of—
- “(2) Condition A is that the company either—
- (a) is a trading company on the date of the disposal, or
- (b) has ceased to be a trading company at a time which is not more than 3 years before that date and has not since that time been an excluded company or an investment company.
- (3) Condition B is that the company either—
- (a) has been a trading company for a continuous period of 6 years ending on that date or at that time, or
- (b) has been a trading company for a shorter continuous period ending on that date or [^{F155}at that time and has not before] the beginning of that period been an excluded company or an investment company.
- (4) Condition C is that none of the shares in the company has been listed on a recognised stock exchange at any time in the period—
- (a) beginning with the incorporation of the company or, if later, 12 months before the date on which the shares in question were subscribed for, and
- (b) ending with the date on which the shares are disposed of.
- ^{F156}(5)
- (3) In relation to shares issued before 7 March 2001, section 134(4)(b) applies with the substitution for “at the relevant time” of “throughout the relevant period”.
- (4) For the purposes of sub-paragraph (3), shares that were issued—
- (a) ^{F157}... after 5 April 1998, but
- (b) before 7 March 2001,
- are treated as having been issued ^{F157}... after 7 March 2001 in respect of any part of the relevant period which falls ^{F157}... after that date.
- ^{F158}(5)

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Textual Amendments

- F154** Words in Sch. 2 para. 38(2) substituted (with effect in accordance with s. 38(3) of the amending Act) by Finance Act 2020 (c. 14), s. 38(2)(a)(iv)
- F155** Words in Sch. 2 para. 38(2) substituted (with effect in accordance with art. 1(2) of the amending S.I.) by Income Tax Act 2007 (Amendment) Order 2007 (S.I. 2007/940), arts. 1(1), 2(2)(a)
- F156** Words in Sch. 2 para. 38(2) omitted (with effect in accordance with s. 38(3) of the amending Act) by virtue of Finance Act 2020 (c. 14), s. 38(2)(a)(iv)
- F157** Words in Sch. 2 para. 38(4) omitted (with effect in accordance with art. 1(2) of the amending S.I.) by virtue of Income Tax Act 2007 (Amendment) Order 2007 (S.I. 2007/940), arts. 1(1), 2(2)(b)
- F158** Sch. 2 para. 38(5) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

Disposals of new shares

- 39 (1) In relation to new shares issued before 6 April 2007, section 136(2) applies with the omission of “This is subject to section 145(3).”
- (2) In this paragraph “new shares” is to be read in accordance with section 145.

The trading requirement

- 40 (1) In relation to shares issued before 6 April 2007, section 137 applies with the following modifications—
 - (a) the omission of subsection (2),
 - (b) in subsection (5), the omission of paragraph (d)(ii) and the “or” immediately before it, and
 - (c) the omission of subsection (6).
- (2) In relation to shares issued before 6 April 2000, section 137 applies with the substitution for the definition of “research and development” in subsection (7) of—

““research and development” means any activity which is intended to result in a patentable invention (within the meaning of the Patents Act 1977) or in a computer program.”
- (3) Section 137 does not apply in relation to shares issued before 6 April 1998.
- ^{F159}(4)

Textual Amendments

- F159** Sch. 2 para. 40(4) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

Ceasing to meet trading requirement because of administration or receivership

- 41 (1) In relation to shares issued before 17 March 2004, section 138 applies with the following modifications—
 - (a) in subsection (1), the omission of “merely” and the substitution for “the company or any of its subsidiaries” of “its”,

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- (b) in subsection (2)(b), the omission of “concerned”,
 - (c) in subsection (3)(a), the omission of “or any of its subsidiaries”,
 - (d) in subsection (3)(b), the omission of “or any of its subsidiaries”, and
 - (e) in subsection (4), the omission of “is”, in the second place where it occurs.
- (2) In relation to an administration order the petition for which was presented before 15 September 2003, section 138(2) applies with the substitution for paragraph (a) of—
“*(a)* the making of the order in question, and”.
- (3) In relation to shares issued before 21 March 2000, section 138 applies with the omission of subsections (1) and (2).
- (4) In the application of sub-paragraph (3) on or after 21 March 2000, shares—
(a) that were issued on or after 6 April 1998 but before 21 March 2000, and
(b) to which EIS relief or relief under Schedule 5B to TCGA 1992 was attributable immediately before 21 March 2000,
are treated as having been issued on or after 21 March 2000.
- (5) Section 138 does not apply in relation to shares issued before 6 April 1998.
- ^{F160}(6)

Textual Amendments

F160 Sch. 2 para. 41(6) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

The control and independence requirement

- 42 (1) In relation to shares issued before 6 April 2007, section 139(1)(a) applies with the omission of “of the company”.
- (2) In relation to shares issued before 21 March 2000, section 139 applies with the following modifications—
(a) the substitution for subsections (1) to (3) of—
“*(1)* The control element of the requirement is that—
(a) the company must not control (or together with any person connected with it control) another company or have a 51% subsidiary, and
(b) no arrangements must be in existence by virtue of which the company could fail to meet paragraph (a).
(2) The independence element of the requirement is that—
(a) the company must not be under the control of another company (or another company and any other person connected with that company) or be a 51% subsidiary of another company, and
(b) no arrangements must be in existence by virtue of which the company could fail to meet paragraph (a).”

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- (3) This section is subject to section 145(3); and nothing in subsection (1) prevents the company having one or more qualifying subsidiaries.”, and
 - (b) in subsection (4) the omission of the definition of “arrangements” and, in the definition of “control”, the omission of “in subsection (1)(a)”.
- (3) In the application of sub-paragraph (2) on or after 21 March 2000, shares—
 - (a) that were issued on or after 6 April 1998 but before 21 March 2000, and
 - (b) to which EIS relief or relief under Schedule 5B to TCGA 1992 was attributable immediately before 21 March 2000,are treated as having been issued on or after 21 March 2000.
- (4) Section 139 does not apply in relation to shares issued before 6 April 1998.

^{F161}(5)

^{F161}(6)

Textual Amendments

F161 Sch. 2 para. 42(5)(6) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

The qualifying subsidiaries requirement

- 43 (1) Section 140 does not apply in relation to shares issued before 6 April 1998.

^{F162}(2)

Textual Amendments

F162 Sch. 2 para. 43(2) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

The property managing subsidiaries requirement

- 44 (1) Section 141 does not apply in relation to shares issued before 17 March 2004.

^{F163}(2)

Textual Amendments

F163 Sch. 2 para. 44(2) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

The gross assets requirement

- 45 (1) In relation to shares issued before 6 April 2006, section 142 applies with the substitution in subsections (1) and (2)—
 - (a) of “£15 million” for “£7 million”, and

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(b) of “£16 million” for “£8 million”.

(2) For the purposes of sub-paragraph (1) shares issued on or after 6 April 2006 to a person who subscribed for them before 22 March 2006 are treated as having been issued before 6 April 2006.

(3) Section 142 does not apply in relation to shares issued before 6 April 1998.

^{F164}(4)

Textual Amendments

F164 Sch. 2 para. 45(4) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

The unquoted status requirement

46 (1) In relation to shares issued before 7 March 2001, section 143 applies with the following modifications—

(a) the substitution for subsection (1) of—

“(1) The unquoted status requirement is that the company must be an unquoted company throughout the relevant period.”,

(b) the substitution for subsection (2) of—

“(2) If the company is an unquoted company at the time when any shares are issued, it is not treated for the purposes of this section as ceasing to be an unquoted company in relation to those shares at any subsequent time merely because any shares, stocks, debentures or other securities of the company are at that time—

(a) listed on an exchange designated by an order made for the purposes of section 184(3)(b), or

(b) dealt in by any means designated by an order made for the purposes of section 184(3)(c),

if the order was made after the shares were issued.”, and

(c) in subsection (3) the substitution for the definition of “arrangements” of—

““the relevant period” means the period—

(a) beginning with the incorporation of the company or, if later, the date one year before the issue of the shares in question, and

(b) ending with the date of the disposal.”

(2) For the purposes of sub-paragraph (1)(a) and (c), shares that were issued—

(a) ^{F165}...after 5 April 1998, but

(b) before 7 March 2001,

are treated as having been issued on or after 7 March 2001 in respect of any part of the relevant period which falls on or after that date.

(3) In the application of sub-paragraph (1)(b) on or after 7 March 2001, shares—

(a) that were issued ^{F166}... after 5 April 1998 but before 7 March 2001, and

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(b) to which EIS relief or relief under Schedule 5B to TCGA 1992 was attributable immediately before 7 March 2001,
are treated as having been issued on or after 7 March 2001.

(4) Section 143 does not apply in relation to shares issued before 6 April 1998.

F167(5)

F167(6)

Textual Amendments

F165 Words in Sch. 2 para. 46(2)(a) omitted (with effect in accordance with art. 1(2) of the amending S.I.) by virtue of [Income Tax Act 2007 \(Amendment\) Order 2007 \(S.I. 2007/940\)](#), arts. 1(1), 2(3)

F166 Words in Sch. 2 para. 46(3)(a) omitted (with effect in accordance with art. 1(2) of the amending S.I.) by virtue of [Income Tax Act 2007 \(Amendment\) Order 2007 \(S.I. 2007/940\)](#), arts. 1(1), 2(3)

F167 Sch. 2 para. 46(5)(6) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with Sch. 2)

Power to amend requirements by Treasury order

47 (1) Section 144 does not apply in relation to shares issued before 6 April 1998.

F168(2)

Textual Amendments

F168 Sch. 2 para. 47(2) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with Sch. 2)

Relief after an exchange of shares for shares in another company

48 (1) In relation to new shares issued before 6 April 2007, section 145 applies with—

(a) the substitution for subsection (1)(e) of—

“(e) before the issue of the new shares, the Commissioners for Her Majesty's Revenue and Customs have, on the application of the new company or the old company, notified that company that the exchange of shares—

(i) will be effected for genuine commercial reasons,
and

(ii) will not form part of any such scheme or arrangement as is mentioned in section 137(1) of TCGA 1992.”, and

(b) the omission of subsection (3)(a).

(2) Section 145 does not apply in relation to shares issued before 6 April 1998.

F169(3)

F169(4)

Status: Point in time view as at 10/06/2021.

Changes to legislation: Income Tax Act 2007 is up to date with all changes known to be in force on or before 23 June 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. (See end of Document for details)

Textual Amendments

F169 Sch. 2 para. 48(3)(4) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

Substitution of new shares for old shares

49 (1) Section 146 does not apply in relation to shares issued before 6 April 1998.

^{F170}(2)

Textual Amendments

F170 Sch. 2 para. 49(2) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

Interpretation of Chapter

50 (1) In relation to shares issued before 6 April 1998, section 151 applies with the following modifications—

- (a) in the definition of “excluded company” in subsection (1), the substitution for “in land, in commodities or futures or in shares, securities or other financial instruments” of “in shares, securities, land, trades or commodity futures”,
- (b) in subsection (7), the insertion after “excluded company” of “or is a non-UK resident”.

^{F171}(2)

^{F171}(3)

Textual Amendments

F171 Sch. 2 para. 50(2)(3) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

Meaning of “qualifying subsidiary”

51 (1) In relation to shares issued before 17 March 2004, section 191 (as applied by sections 137(7), 139(4), 140(2) and 142(4)) applies with the following modifications—

- (a) in subsection (1), the insertion at the end of “and, except as provided by subsection (3), continue to be met until the time that is relevant for the purposes of section 134(2)”,
- (b) in subsection (2), the substitution for paragraph (a) of—
 - “(a) the relevant company, or another of its subsidiaries, possesses at least 75% of the issued share capital of, and at least 75% of the voting power in, the subsidiary,
 - (aa) the relevant company, or another of its subsidiaries, would in the event of a winding up of the subsidiary, or in any

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- other circumstances, be beneficially entitled to receive at least 75% of the assets of the subsidiary which would then be available for distribution to the equity holders of the subsidiary,
- (ab) the relevant company, or another of its subsidiaries, is beneficially entitled to at least 75% of any profits of the subsidiary which are available for distribution to the equity holders of the subsidiary,”
 - (c) in paragraph (c) of subsection (2), the substitution for “either of the conditions in paragraphs (a) and (b)” of “any of the conditions in paragraphs (a), (aa), (ab) and (b)”
 - (d) in subsection (3), the substitution for “any other company” of “the relevant company” and the substitution for the words from “the winding up or dissolution” to the end of that subsection of—
 - “(a) the winding up or dissolution is for genuine commercial reasons, and not part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax,
 - (b) the net assets, if any, of the subsidiary or, as the case may be, the relevant company are distributed to its members, or dealt with as bona vacantia, before the time that is relevant for the purposes of section 134(2) or, in the case of a winding up, the end (if later) of 3 years from the commencement of the winding up.”
 - (e) the omission of subsection (4),
 - (f) in subsection (5), the substitution for “arrangements are in existence for” of “of” and the insertion after “another subsidiary” of “within the continuous period that is relevant for the purposes of section 134(3)”
 - (g) in subsection (5)(a), the omission of “to be”
 - (h) in subsection (5)(b), the substitution for “is not to be” of “not”, and
 - (i) after subsection (5), the insertion of—
 - “(6) The persons who are equity holders of a subsidiary, and the percentage of the assets of a subsidiary to which an equity holder would be entitled, is to be determined in accordance with [^{F172}Chapter 6 of Part 5 of CTA 2010], taking—
 - (a) references in [^{F173}section 166 of that Act to company A] as references to an equity holder, and
 - (b) references to a winding up as including references to any other circumstances in which assets of the subsidiary are available for distribution to its equity holders.”

^{F174}(2)

^{F174}(3)

Textual Amendments

F172 Words in Sch. 2 para. 51(1)(i) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 571(2)(a)** (with Sch. 2)

Status: Point in time view as at 10/06/2021.

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- F173** Words in Sch. 2 para. 51(1)(i) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 571\(2\)\(b\)](#) (with Sch. 2)
- F174** Sch. 2 para. 51(2)(3) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 3 Pt. 1](#) (with Sch. 2)

Meaning of “excluded activities”

- 52 (1) In relation to shares issued before 7 March 2001, section 192(1) (as applied by section 137(7)) applies with the insertion after paragraph (c) of—
“(ca) oil extraction activities (within the meaning of Chapter 5 of Part 12 of ICTA),”.
- (2) In the application of sub-paragraph (1) on or after 7 March 2001, shares—
(a) that were issued on or after 6 April 1998 but before 7 March 2001, and
(b) to which EIS relief or relief under Schedule 5B to TCGA 1992 was attributable immediately before 7 March 2001,
are treated as having been issued on or after 7 March 2001.
- ^{F175}(3)

Textual Amendments

- F175** Sch. 2 para. 52(3) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 3 Pt. 1](#) (with Sch. 2)

Excluded activities: wholesale and retail distribution

- 53 (1) In relation to shares issued before 6 April 2007, section 193(5)(b) (as applied by section 137(7)) applies with the following modifications—
(a) the insertion after “held” of “by the company”, and
(b) the substitution for “the trader” of “a vendor”.
- ^{F176}(2)

Textual Amendments

- F176** Sch. 2 para. 53(2) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 3 Pt. 1](#) (with Sch. 2)

Excluded activities: leasing of ships

- 54 (1) In relation to shares issued before 6 April 2007, section 194 (as applied by the definition of “non-qualifying activities” in section 137(7)) applies with the omission of subsection (7).
- (2) In relation to shares issued before 6 April 2004, section 194 (as applied by section 137(7)) applies with the following modifications—
(a) in subsection (1), the substitution for “offshore installations” of “oil rigs”,
(b) in subsection (2), the substitution for “offshore installation” of “oil rig”, and
(c) in subsection (8), the insertion after “this section” of—

Status: Point in time view as at 10/06/2021.

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““oil rig” means any ship which is an offshore installation for the purposes of the Mineral Workings (Offshore Installations) Act 1971.”.

F177(3)

Textual Amendments

F177 Sch. 2 para. 54(3) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

Excluded activities: receipt of royalties and licence fees

55 (1) In relation to shares issued before 6 April 2000, Chapter 6 of Part 4 applies with the substitution for section 195 (as applied by section 137(7)) of—

“195 Excluded activities: receipt of royalties and licence fees

- (1) This section supplements section 192(1)(e) (receipt of royalties and licence fees).
- (2) A trade is not to be regarded as consisting in the carrying on of excluded activities within section 192(1)(e) as a result only of it consisting to a substantial extent in the receiving of royalties or licence fees if—
 - (a) the company carrying on the trade is engaged throughout the relevant period in—
 - (i) the production of films, or
 - (ii) the production of films and the distribution of films produced by it in the relevant period, and
 - (b) all royalties and licence fees received by it in the relevant period are in respect of films produced by it in that period or sound recordings in relation to such films or other products arising from such films.
- (3) A trade is not to be regarded as consisting in the carrying on of excluded activities within section 192(1)(e) as a result only of it consisting to a substantial extent in the receiving of royalties or licence fees if—
 - (a) the company carrying on the trade is engaged in research and development throughout the relevant period, and
 - (b) all royalties and licence fees received by it in the relevant period are attributable to research and development which it has carried out.
- (4) In this section “the relevant period” means the continuous period that is relevant for the purposes of section 134(3).”

F178(2)

F178(3)

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F178 Sch. 2 para. 55(2)(3) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

Excluded activities: provision of services or facilities for another business

- 56 (1) In relation to shares issued before 6 April 2007, section 199 (as applied by section 137(7)) applies with the following modifications—
- (a) in subsections (1) to (4), the substitution of “trade” for “business”, wherever it occurs, and
 - (b) in subsection (5) the substitution for paragraph (b) of—
 - “(b) references to a trade, in relation to the provider of the services or facilities, are to be read without regard to the definition of “trade” in section 989, and
 - (c) “trade”, in relation to the other person, includes any business, profession or vocation”.

F179(2)

Textual Amendments

F179 Sch. 2 para. 56(2) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

Meaning of a company being “in administration”

- 57 (1) Sub-paragraph (2) applies in relation to—
- (a) an administration order under Part 3 of the Insolvency (Northern Ireland) Order 1989 the petition for which was presented before 6 April 2007, or
 - (b) any corresponding order under the law of a country or territory outside the United Kingdom the proceedings for which were instituted before that date.
- (2) Section 252 (as it applies for the purposes of Chapter 6 of Part 4) applies with the substitution for subsection (2) of—
- “(2) A company is “in administration” if—
- (a) it is in administration within the meaning of Schedule B1 to the Insolvency Act 1986, or
 - (b) there is in force in relation to it—
 - (i) an administration order under Part 3 of the Insolvency (Northern Ireland) Order 1989, or
 - (ii) any corresponding order under the law of a country or territory outside the United Kingdom.”
- (3) For the purposes of sub-paragraph (2), section 252 applies for the purposes of Chapter 6 of Part 4 in any case where—
- (a) it is applied by section 138(5),
 - (b) it applies for the purposes of section 190 as applied by section 141(2), or

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(c) it applies for the purposes of section 191 as applied by section 137(7), 139(4), 140(2) or 142(4).

(4) In relation to an administration order under Part 2 of the Insolvency Act 1986 the petition for which was presented before 15 September 2003, section 252 (as applied by section 138(5)) applies with the substitution for subsection (2) of—

“(2) A company is “in administration” if there is in force in relation to it—

- (a) an administration order under Part 2 of the Insolvency Act 1986 or Part 3 of the Insolvency (Northern Ireland) Order 1989, or
- (b) any corresponding order under the law of a country or territory outside the United Kingdom.”

(5) Section 252 (as applied by section 138(5)) does not apply in relation to shares issued before 21 March 2000.

(6) In the application of sub-paragraph (5) on or after 21 March 2000, shares—

- (a) that were issued on or after 6 April 1998 but before 21 March 2000, and
- (b) to which EIS relief or relief under Schedule 5B to TCGA 1992 was attributable immediately before 21 March 2000,

are treated as having been issued on or after 21 March 2000.

F180(7)

F180(8)

Textual Amendments

F180 Sch. 2 para. 57(7)(8) repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

[^{F181} Application in relation to corresponding bonus shares

Textual Amendments

F181 Sch. 2 para. 57A and cross-heading inserted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 571(3)** (with Sch. 2)

57A (1) For the purposes of this Part of this Schedule, if—

- (a) any shares (“the original shares”) have been issued to an individual before a particular date, or are treated under this paragraph as having been issued to the individual before a particular date, and
- (b) any corresponding bonus shares are issued to the individual on or after that date,

the bonus shares are treated as having been issued at the time the original shares were issued to the individual or are treated as having been so issued.

(2) In this paragraph “bonus shares” and “corresponding bonus shares” have the same meaning as in Chapter 6 of Part 4.]

Status: Point in time view as at 10/06/2021.

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PART 7

ENTERPRISE INVESTMENT SCHEME

The gross assets requirement

- 58 (1) In relation to shares to which sub-paragraph (2) or (3) applies, section 186 applies with the substitution in subsections (1) and (2)—
- (a) of “£15 million” for “£7 million”, and
 - (b) of “£16 million” for “£8 million”.
- (2) This sub-paragraph applies to shares issued to a person who subscribed for them before 22 March 2006.
- (3) This sub-paragraph applies to shares issued to the managers of an investment fund approved for the purposes of section 251 by the Commissioners for Her Majesty’s Revenue and Customs if—
- (a) the fund was approved before 22 March 2006,
 - (b) investments in the fund have been accepted before 6 April 2006, and
 - (c) the shares are issued to the managers as nominee for an individual who has (whether or not before 6 April 2006) invested in the fund.

PART 8

VENTURE CAPITAL TRUSTS

Eligibility for relief

- 59 Section 261(4) does not apply in relation to shares acquired by a company before 1 December 2003.

Form and amount of relief

- 60 (1) In relation to shares issued before 6 April 2006, section 263(2) applies with the substitution of “tax at the higher rate for the tax year on” for “30% of”.
- (2) In relation to shares issued before 6 April 2004, section 263(2) applies with the substitution of “the savings rate” for “the higher rate”.

No entitlement to relief if there is a linked loan

- 61 In relation to shares issued before 6 April 2006, section 264(3) applies with the substitution, in paragraph (b) of the definition of “the relevant period”, of “the third anniversary” for “the fifth anniversary”.

Loss of relief if shares disposed of within 5 years

- 62 (1) In relation to shares issued before 6 April 2006—
- (a) subsection (1) of section 266 applies with the substitution of “3 years” for “5 years”, and

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(b) subsection (4) of that section applies with the omission of “30% of” and the insertion at the end of “multiplied by the higher rate for the tax year in which the shares were issued”.

(2) In relation to shares issued before 6 April 2004, section 266(4) applies with the substitution of “the savings rate” for “the higher rate”.

Interpretation of Chapter 2

63 (1) In relation to shares issued before 6 April 2007, section 273(1) applies as if it gave “eligible shares” the same meaning as that given by paragraph 6(1) of Schedule 15B to ICTA at the time of the issue of the shares.

(2) In relation to shares issued before 6 April 2006, section 273(1) applies with the substitution of “3 years” for “5 years”.

The 15% holding limit condition

64 In relation to shares or securities issued before 17 April 2002, section 277(5) applies with the following modifications—

- (a) the insertion after “reconstruction”, in the first place where it occurs, of “or amalgamation”, and
- (b) the omission of the words from “In this subsection” to the end.

Conditions relating to value of investments

65 (1) Sub-paragraph (2) applies if any question arises which—

- (a) would otherwise fall to be determined in accordance with section 278, and
- (b) is a question whether, in a case where a company (“company A”) holds investments in a company (“company B”) immediately before 6 April 2007, the 15% holding condition is met if there is an addition to the holding on or after that date.

(2) Any such question is to be determined in accordance with—

- (a) section 842AA(11)(c) of ICTA, and
 - (b) section 842(3) and (4) of that Act as applied by that provision,
- until such time as company A ceases to hold investments in company B.

(3) Except in a case to which sub-paragraph (2) applies, section 278(5) applies in relation to investments issued before 17 April 2002 with the following modifications—

- (a) the insertion after “reconstruction”, in the first place where it occurs, of “or amalgamation”, and
- (b) the omission of the words from “In this subsection” to the end.

Conditions relating to qualifying holdings and eligible shares: supplementary

66 Section 280(3) does not apply in relation to shares issued before 17 April 2002.

Status: Point in time view as at 10/06/2021.

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Interpretation of Chapter 3

- 67 Section 285 applies with the omission of subsections (4) to (6) for the purposes of determining whether, at any time before 6 April 2007, the conditions mentioned in section 274(2) are, will be or were met with respect to a company.

The maximum qualifying investment requirement

- 68 For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 287(3)(b) does not apply in relation to shares or securities issued before 6 April 2007.

The no guaranteed loan requirement

- 69 For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 288 does not apply in relation to shares or securities acquired [^{F182}before 6 April 2018] by a company by means of the investment of—
- (a) money raised by the issue before 2 July 1997 of shares in or securities of the investing company, or
 - (b) money derived from the investment by that company of any such money.

Textual Amendments

F182 Words in [Sch. 2 para. 69](#) inserted (6.4.2018) by [Finance Act 2018 \(c. 3\)](#), [Sch. 5 paras. 8\(2\)](#), 13; S.I. 2018/931, reg. 4(e)

The proportion of eligible shares requirement

- 70 (1) If at any time the requirement of section 289—
- (a) would be met in relation to a relevant holding and a company if none of the old investments were held by the investing company at that time, but
 - (b) would not otherwise be met,
- that section applies in relation to that holding as if the old investments were not held by the investing company at that time.
- (2) In sub-paragraph (1) “old investments” means shares in or securities of the relevant company acquired [^{F183}before 6 April 2018] by means of the investment of—
- (a) money raised by the issue before 2 July 1997 of shares in or securities of the investing company, or
 - (b) money derived from the investment by that company of any such money.

Textual Amendments

F183 Words in [Sch. 2 para. 70\(2\)](#) inserted (6.4.2018) by [Finance Act 2018 \(c. 3\)](#), [Sch. 5 paras. 8\(3\)](#), 13; S.I. 2018/931, reg. 4(e)

Status: Point in time view as at 10/06/2021.

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The trading requirement

- 71 For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 290 applies in relation to shares or securities issued before 6 April 2007 with the following modifications—
- (a) the omission of subsections (2) and (6), and
 - (b) in subsection (5)(d), the omission of sub-paragraph (ii) and the “or” immediately before it.

The carrying on of a qualifying activity requirement

- 72 (1) For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 291 applies in relation to shares or securities issued before 6 April 2007 with the omission of subsection (8).
- (2) For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 291 applies in relation to shares or securities issued before 17 March 2004 with the following modifications—
- (a) in subsection (1), the substitution for “a qualifying company (whether or not the same such company at every such time)” of “the qualifying company”,
 - (b) in subsection (3), the substitution for “was intended to be carried on” of “it intended to carry on” and the omission of “by a qualifying company”,
 - (c) in subsection (4)(a), the substitution for “a qualifying company” of “the qualifying company”,
 - (d) in subsection (4)(b), the substitution for “at all times since the end of that period, a qualifying company (whether or not the same such company at every such time) has” of “the qualifying company has at all times since the end of that period”, and
 - (e) the omission of subsection (6).

Ceasing to meet the requirement because of administration or receivership

- 73 For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 292(1) applies in relation to shares or securities issued before 17 March 2004 with the omission of “merely”.

The use of the money raised requirement

- 74 For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 293 applies in relation to shares or securities issued before 17 March 2004 with the following modifications—
- (a) in subsection (2), the substitution for “has been or is intended to be employed” of “is money which the qualifying company has employed or intends to employ”, and
 - (b) in subsection (5)(b), the substitution for “a qualifying company” of “the qualifying company”.

Status: Point in time view as at 10/06/2021.

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The relevant company to carry on the relevant qualifying activity requirement

- 75 (1) For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 294 applies in relation to shares or securities issued before 6 April 2007 with the following modifications—
- (a) in subsections (1) and (6) the substitution for “relevant qualifying activity” of “qualifying activity”,
 - (b) in subsection (1) the substitution for “section 293” of “section 291”, and
 - (c) the omission of subsection (7).
- (2) For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, Chapter 4 of Part 6 of this Act applies in relation to shares or securities issued before 17 March 2004 with the substitution for section 294 of—

“294 Further requirements as to the money raised by the investment in question

- (1) If—
 - (a) the relevant company is a parent company, and
 - (b) the business of the group does not consist wholly or as to a substantial part in the carrying on of non-qualifying activities,
 the requirements of this section are not met unless one or more of the following conditions is met.
- (2) Condition A is that the trader company meets the requirement of section 290(1)(a).
- (3) Condition B is that the trader company would meet that requirement if its purposes were ignored so far as they consist in the carrying on of activities in section 290(5).
- (4) Condition C is that the trader company is a [^{F184}qualifying 90% subsidiary of the relevant company] and—
 - (a) apart from incidental purposes, it exists wholly for the purposes of carrying on activities such as those in section 290(5)(c) and (d), or
 - (b) it has no profits for the purposes of corporation tax and no part of its business consists in the making of investments.
- (5) In this section—
 - “the business of the group” has the same meaning as it has for the purposes of subsection (1)(b) of section 290,
 - “incidental purposes” and “non-qualifying activities” have the same meaning as in that section,
 - “the trader company” means the company (whether the relevant company or a qualifying subsidiary of the relevant company) carrying on the qualifying activity which meets the requirement of section 291.”

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F184 Words in Sch. 2 para. 75(2) substituted (with effect in accordance with art. 1(2) of the amending S.I.) by [Income Tax Act 2007 \(Amendment\) \(No.2\) Order 2007 \(S.I. 2007/1820\)](#), arts. 1(1), **4(3)**

The gross assets requirement

- 76 (1) For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 297 applies in relation to shares or securities issued on or after 6 April 1998 and before 6 April 2006 with the substitution in subsections (1) and (2)—
- (a) of “£15 million” for “£7 million”, and
 - (b) of “£16 million” for “£8 million”.
- (2) For the purposes of sub-paragraph (1) any shares or securities acquired by a company at any time by means of the investment of—
- (a) money raised by the issue before 6 April 2006 of shares in or securities of the investing company, or
 - (b) money derived from the investment by that company of any such money, are treated as having been issued before 6 April 2006.
- (3) For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 297 applies in relation to shares or securities issued before 6 April 1998 with the substitution in subsections (1) and (2)—
- (a) of “£10 million” for “£7 million”, and
 - (b) of “£11 million” for “£8 million”.

The property managing subsidiaries requirement

- 77 For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 299 does not apply in relation to shares or securities issued before 17 March 2004.

Meaning of “qualifying trade”

- 78 For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 300 applies in relation to shares or securities issued before 6 April 2007 with the following modifications—
- (a) in subsection (2), the omission of paragraph (b) and the “or” immediately before it, and
 - (b) the omission of subsection (3).

Meaning of “qualifying 90% subsidiary”

- 79 For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 301 does not apply in relation to shares or securities issued before 17 March 2004.

Status: Point in time view as at 10/06/2021.

Changes to legislation: Income Tax Act 2007 is up to date with all changes known to be in force on or before 23 June 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. (See end of Document for details)

Meaning of “qualifying subsidiary”

80 For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 302 applies in relation to shares or securities issued before 17 March 2004 with the following modifications—

- (a) the substitution for subsection (2)(a) of—
 - “(a) the relevant company, or another of its subsidiaries, possesses at least 75% of the issued share capital of, and at least 75% of the voting power in, the subsidiary,
 - (aa) the relevant company, or another of its subsidiaries, would in the event of a winding up of the subsidiary, or in any other circumstances, be beneficially entitled to receive at least 75% of the assets of the subsidiary which would then be available for distribution to the equity holders of the subsidiary,
 - (ab) the relevant company, or another of its subsidiaries, is beneficially entitled to at least 75% of any profits of the subsidiary which are available for distribution to the equity holders of the subsidiary,”
- (b) in subsection (2)(c), the substitution for “either of the conditions in paragraphs (a) and (b)” of “any of the conditions in paragraphs (a), (aa), (ab) and (b)”
- (c) in subsection (3), the omission of “or any other company” and the substitution for paragraphs (a) and (b) of “is for genuine commercial reasons, and not part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax”
- (d) the omission of subsection (4),
- (e) in subsection (5), the substitution for paragraphs (a) and (b) of “is to be for genuine commercial reasons, and not part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax”
- (f) after subsection (5) the insertion of—
 - “(6) For the purposes of this section the persons who are equity holders of a subsidiary, and the percentage of the assets of the subsidiary to which an equity holder would be entitled, is to be determined in accordance with [^{F185}Chapter 6 of Part 5 of CTA 2010], taking—
 - (a) references in [^{F186}section 166 of that Act to company A] as references to the equity holder, and
 - (b) references to a winding up as including references to any other circumstances in which assets of the subsidiary are available for distribution to its equity holders.”

Textual Amendments

F185 Words in Sch. 2 para. 80(f) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 571(4)(a)** (with Sch. 2)

F186 Words in Sch. 2 para. 80(f) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 571(4)(b)** (with Sch. 2)

Status: Point in time view as at 10/06/2021.

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Meaning of “excluded activities”

- 81 For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings at any time, section 303(1)(g) to (k) (and accordingly sections 307 to 309) do not apply in relation to shares or securities acquired [^{F187}before 6 April 2018] by the company by means of the investment of—
- (a) money raised by the issue before 17 March 1998 of shares in or securities of the investing company, or
 - (b) money derived from the investment by that company of any such money.

Textual Amendments

F187 Words in [Sch. 2 para. 81](#) inserted (6.4.2018) by [Finance Act 2018 \(c. 3\)](#), [Sch. 5 paras. 8\(4\)](#), 13; [S.I. 2018/931](#), reg. 4(e)

Excluded activities: wholesale and retail distribution

- 82 For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 304 applies in relation to shares or securities issued before 6 April 2007 with the following modifications—
- (a) in subsection (5)(b), the insertion after “held” of “by the company” and the substitution for “the trader” of “a vendor”, and
 - (b) in subsection (6), the substitution for “of wholesale or retail distribution”, in the first place where it occurs, of “carried on by any person” and the substitution for “the trader”, in each place where it occurs, of “that person”.

Excluded activities: leasing of ships

- 83 (1) For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 305 as applied by the definition of “non-qualifying activities” in section 290(8) applies in relation to shares or securities issued before 6 April 2007 with the omission of subsection (7).
- (2) For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 305 applies in relation to shares or securities issued before 6 April 2004 with the following modifications—
- (a) in subsection (1), the substitution for “offshore installations” of “oil rigs”,
 - (b) in subsection (2), the substitution for “offshore installation” of “oil rig”,
 - (c) in subsection (8), the insertion after “this section” of—

““oil rig” means any ship which is an offshore installation for the purposes of the Mineral Workings (Offshore Installations) Act 1971,”.

Excluded activities: receipt of royalties and licence fees

- 84 For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 306 applies in relation to shares or securities issued before 6 April 2000 with the substitution for subsections (2) to (6) of—

Status: Point in time view as at 10/06/2021.

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“(2) If the requirement of subsection (3) or (4) is met, a trade is not to be regarded as consisting in the carrying on of excluded activities within section 303(1) (e) as a result only of its consisting to a substantial extent in the receiving of royalties of licence fees.

(3) The requirement of this subsection is that—

- (a) the company carrying on the trade is engaged in—
 - (i) the production of films, or
 - (ii) the production of films and the distribution of films produced by it since the issue of the relevant holding, and
- (b) all royalties and licence fees received by it are in respect of—
 - (i) films produced by it since the issue of the relevant holding,
 - (ii) sound recordings in relation to such films, or
 - (iii) other products arising from such films.

(4) The requirement of this subsection is that—

- (a) the company carrying on the trade is engaged in research and development, and
- (b) all royalties and licence fees received by it are attributable to research and development which it has carried out.”

Excluded activities: provision of services or facilities for another business

- 85 (1) For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 310 applies in relation to shares or securities issued before 6 April 2007 with the following modifications—
- (a) in subsections (1) to (4), the substitution of “trade” for “business”, wherever it occurs, and
 - (b) in subsection (5) the substitution for paragraph (b) of—
 - “(b) “trade” includes business, profession or vocation where what is carried on is carried on by a person other than a company.”
- (2) For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings at any time, section 310(1)(a) applies in relation to shares or securities acquired by the company by means of the investment of—
- (a) money raised by the issue before 17 March 1998 of shares in or securities of the investing company, or
 - (b) money derived from the investment by that company of any such money, with the substitution for “paragraphs (a) to (k)” of “paragraphs (a) to (f)”.

Winding up of the relevant company

- 86 For the purpose of determining whether shares or securities are to be regarded as comprised in a company's qualifying holdings, section 312(b) applies in relation to shares or securities issued before 17 March 2004 with the substitution for “is not” of “not”.

Status: Point in time view as at 10/06/2021.

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Acquisitions for restructuring purposes etc

- 87 Sections 326 to 329 do not apply in relation to arrangements made, or rights of conversion exercised, before 16 June 1999.

Power to facilitate company reorganisations

- 88 Section 330 does not apply in relation to exchanges of shares or securities taking effect before 21 March 2000.

Meaning of a company being “in administration”

- 89 (1) Sub-paragraph (2) applies in relation to—
- (a) an administration order under Part 3 of the Insolvency (Northern Ireland) Order 1989 the petition for which was presented before 6 April 2007, or
 - (b) any corresponding order under the law of a country or territory outside the United Kingdom the proceedings for which were instituted before that date.

- (2) Section 331 applies with the substitution for subsection (2) of—

“(2) A company is “in administration” if—

- (a) it is in administration within the meaning of Schedule B1 to the Insolvency Act 1986, or
- (b) there is in force in relation to it—
 - (i) an administration order under Part 3 of the Insolvency (Northern Ireland) Order 1989, or
 - (ii) any corresponding order under the law of a country or territory outside the United Kingdom.”

- (3) In relation to an administration order under Part 2 of the Insolvency Act 1986 the petition for which was presented before 15 September 2003, section 331 applies with the substitution for subsection (2) of—

“(2) A company is “in administration” if there is in force in relation to it—

- (a) an administration order under Part 2 of the Insolvency Act 1986 or Part 3 of the Insolvency (Northern Ireland) Order 1989, or
- (b) any corresponding order under the law of a country or territory outside the United Kingdom.”

Meaning of “company”, “shares” and “research and development” in Part 6

- 90 (1) This paragraph applies in relation to the meaning of “company”, “shares” and “research and development” in Part 6 (see section 332).

- (2) If—

- (a) a company holds investments of any description in an entity immediately before 6 April 2007, and
- (b) the entity is a company for any purposes of the Part 6 provisions but not for the corresponding purposes of the ICTA provisions,

any question whether the entity is a company for those purposes of the Part 6 provisions is to be determined in accordance with the ICTA provisions until such time as the company ceases to hold investments of that description.

Status: Point in time view as at 10/06/2021.

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- (3) If—
- (a) a company holds investments of any description in an entity immediately before 6 April 2007, and
 - (b) the investments are shares for any purposes of either of the following—
 - (i) the Part 6 provisions, and
 - (ii) the ICTA provisions,
 but not for the corresponding purposes of the other set of provisions,
- any question whether the investments are shares for those purposes of the Part 6 provisions is to be determined in accordance with the ICTA provisions until such time as the company ceases to hold investments of that description.
- (4) In sub-paragraphs (2) and (3)—
- “the ICTA provisions” means section 842AA of ICTA (VCT approvals) and Schedule 28B to that Act (qualifying holdings),
 - “the Part 6 provisions” means Chapter 3 of Part 6 (VCT approvals) and Chapter 4 of that Part (qualifying holdings).
- (5) For the purpose of determining whether any shares or securities are to be regarded as comprised in a company's qualifying holdings, section 332 applies in relation to shares issued before 6 April 2000 with the substitution for the definition of “research and development” of—
- ““research and development” means any activity which is intended to result in a patentable invention (within the meaning of the Patents Act 1977) or in a computer program.”

PART 9

OTHER RELIEFS

Interest: loans for interests in close companies

- 91 Section 392(3)(a) does not apply if the shares were acquired before 14 March 1989.
- 92 Section 392(3)(b) does not apply if the shares were acquired before 6 April 1989.
- 93 (1) In relation to a loan made before 14 November 1986—
- (a) section 395(1)(c) applies with the substitution for “the trustees of” of “any person (other than the individual) interested in”, and
 - (b) section 395(1)(d) applies with the substitution for “the personal representatives” of “any person (other than the individual) interested in the estate”.
- (2) No individual is an associate because of sub-paragraph (1)(a) if the trust relates exclusively to a registered pension scheme.
- (3) No individual is an associate because of sub-paragraph (1)(a) if—
- (a) the trust—
 - (i) is exclusively for the benefit of the employees, or the employees and directors, of the company or their dependants, and

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- (ii) is not wholly or mainly for the benefit of the directors or their relatives, and
 - (b) the individual—
 - (i) is not (either alone or with relatives) the beneficial owner of more than 5% of the company's ordinary share capital, and
 - (ii) could not become so as a result of the operation of the trust.
 - (4) For the purposes of sub-paragraph (3)(b), charitable trusts that may arise on the failure or determination of other trusts are ignored.
 - (5) In relation to any time before 6 April 2006, sub-paragraph (2) applies as if the reference to a registered pension scheme were a reference to an exempt approved scheme, as defined in section 592 of ICTA.
- 94 Section 395(2) does not apply in relation to a loan made before 26 July 1989, and, for the purposes of that section, section 550 of ITEPA 2003 (which defines “employee benefit trust” and is applied for the purposes of section 395 by section 395(6)) has effect as if section 550 of ITEPA 2003 referred to that day instead of 13 March 1989.

Interest: loans for interests in employee-controlled companies

- 95 (1) In relation to a loan used before 6 April 1990 in one or more of the ways specified in section 396(2)—
- (a) section 396 applies as if—
 - (i) the reference in subsection (3) to full-time employees included a reference to full-time employees' spouses,
 - (ii) the references in subsection (4) to an individual included a reference to an individual's spouse, unless the individual and the individual's spouse are both full-time employees of the company within the meaning of section 396(5), and
 - (b) section 397(4) applies as if references to the individual included references to the individual's spouse.
- (2) If a loan within section 396(2)(b) was made on or after that date, interest on the loan is eligible for relief under section 383 only if interest on the original loan would have been allowable under section 353 of ICTA after that date.

Interest relief: film partnerships

- 96 Section 399(4) (restriction on relief for interest on loans for purchasing interest in some film partnerships) only applies if the interest accrued on or after 10 March 2006.

Interest: loans for investing in co-operatives

- 97 Section 401 applies in relation to a loan used in one or more of the ways specified in subsection (2)(a) or (b) of that section only if the loan was made after 10 March 1981, but subsection (2)(c) of that section applies whenever the original loan was made.

Status: Point in time view as at 10/06/2021.

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Gift aid: gifts of money for relief in poor countries

F188 98

Textual Amendments

F188 Sch. 2 para. 98 repealed (19.7.2011) by **Finance Act 2011 (c. 11), Sch. 26 para. 2(2)(c)**

Gift aid: restrictions on associated benefits

- 99 (1) This paragraph applies if—
- (a) a gift is made on or after 6 April 2007, and
 - (b) a benefit associated with the gift is received before that date or relates (wholly or partly) to a period falling before that date.
- (2) Step 2 of the calculation in section 419(8) is to be read as if the words “(and neither condition C nor condition D is met in relation to it)” were omitted.

Gift aid: election to carry back relief

- 100 (1) This paragraph applies if in the tax year 2007-08 an individual makes a gift to a charity that is a qualifying donation for the purposes of Chapter 2 of Part 8.
- (2) Section 426 has effect with the substitution for subsections (2) and (3) of—
- “(2) The condition is that in year P the grossed up amount of the gift would, if made in year P, be payable out of profits or gains brought into charge to income tax or capital gains tax.
 - (3) If an election is made, section 25(6) to (9A) of FA 1990 have effect in relation to the individual as if the gift were a qualifying donation (within the meaning of section 25 of FA 1990) made in year P.”
- (3) Section 426 has effect with the omission of subsections (4) and (5).

Qualifying maintenance payments: maintenance assessments

- 101 (1) This paragraph applies for the purposes for which, on the day on which this Act comes into force, the amendments to section 347B of ICTA made by paragraph 8(1) and (2) of Schedule 3 to the Child Support, Pensions and Social Security Act 2000 (c. 19) (maintenance assessments superseded by maintenance calculations) do not have effect.
- (2) Until a day is appointed for any of those purposes under this paragraph, section 454 and 455 have effect for that purpose as if—
- (a) in section 454(7) and section 455(1)(a), (b), (c) and (3) for “calculation” there were substituted “assessment”, and
 - (b) for section 454(8) there were substituted—
- “(8) In this section “maintenance assessment” means a maintenance assessment made under the Child Support Act 1991 or the Child Support (Northern Ireland) Order 1991.”

Status: Point in time view as at 10/06/2021.

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- (3) The power to appoint a day under this paragraph is exercisable by the Secretary of State by order made by statutory instrument and different days may be appointed for different purposes (including different days for different areas).

PART 10

SPECIAL RULES ABOUT SETTLEMENTS AND TRUSTEES

Trustees' expenses to be set against trustees' trust rate income

- 102 (1) This paragraph applies if the trustees of a settlement incur an allowable expense (see section 484) in a tax year prior to the tax year 2007-08.

(2) So far as the trustees have not paid the expense, the expense cannot, under Chapter 4 of Part 9, be set against the trustees' trust rate income for any tax year.

(3) So far as the expense is paid by the trustees in a tax year (“the relevant tax year”) after the tax year 2006-07, the expense is treated for the purposes of sections 484(1) and 485(1) as if it were incurred in the relevant tax year.

(4) So far as the expense is paid by the trustees in a tax year prior to the tax year 2007-08, section 485 applies in relation to the expense with the following modifications.

(5) It applies as if for subsection (3) there were substituted—

“(3) Condition A is—

- (a) that section 686(2AA) of ICTA could not be applied in relation to the allowable expense so as to reduce the trustees' liability to tax for the tax year in which the trustees paid the expense, and
- (b) that was the case only because the trustees' section 686 income for that year was insufficient or they had no section 686 income for that year.

“Section 686 income” means income to which section 686 of ICTA applies.”

(6) It applies as if for subsection (4) there were substituted—

“(4) Condition B is that—

- (a) for no tax year prior to the tax year 2007-08 has the allowable expense been used to reduce the trustees' liability to tax, and
- (b) the allowable expense has not been set against the trustees' trust rate income for a tax year prior to the current tax year as a result of this section.”

Share incentive plans: definition of “applicable period”

- 103 (1) This paragraph applies for the purposes of section 489 if the relevant shares (see subsection (1) of that section) were acquired by the trustees before 11 May 2001.

(2) That section applies in relation to those shares with the following modifications.

(3) It applies as if subsection (2) were omitted.

Status: Point in time view as at 10/06/2021.

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- (4) It applies as if in subsection (3) the words “If any were” were omitted.
- (5) It applies as if in subsection (4)—
 - (a) for “If none were” there were substituted “ But if when the trustees acquired the relevant shares none of the shares in the relevant company were readily convertible assets ”, and
 - (b) in paragraph (b) for “any shares in the relevant company” there were substituted “ the relevant shares ”.
- (6) It applies as if in subsection (5) for “(2) to” there were substituted “ (3) and ”.

Discretionary payments: trustees' tax pool

- 104 (1) Section 497 applies with the following modifications in relation to the trustees of a settlement established prior to the tax year 2007-08 if the current tax year is the tax year 2007-08.
 - (2) It also so applies if—
 - (a) the current tax year is a tax year subsequent to the tax year 2007-08, and
 - (b) the trustees have been UK resident for no tax year prior to the current tax year or the last tax year prior to the current tax year for which they were UK resident is a tax year prior to the tax year 2007-08.
 - (3) It applies as if in subsection (1) for Step 1 there were substituted—

“*Step 1* Take the amount of the trustees' final section 687(3) tax pool and deduct from that amount (but not so that it goes below nil) the total of all tax (if any) treated under section 687(2)(a) of ICTA as being paid as a result of payments made by the trustees in the tax year 2006-07. “The amount of the trustees' final section 687(3) tax pool” is the total amount—

 - (a) available to the trustees under section 687(3) of ICTA for setting against tax assessable on them under section 687(2)(b) of that Act for the tax year 2006-07, or
 - (b) which would have been so available had tax been so assessable.”
 - (4) It applies as if subsections (2) and (3) were omitted.

PART 11

SPECIAL RULES ABOUT CHARITABLE TRUSTS ETC

Transactions with substantial donors

F189 105

<p>Textual Amendments</p> <p>F189 Sch. 2 para. 105 omitted (19.7.2011) (with effect in accordance with Sch. 3 para. 27 of the amending Act) by virtue of Finance Act 2011 (c. 11), Sch. 3 para. 14</p>
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F190 106

Status: Point in time view as at 10/06/2021.

Changes to legislation: Income Tax Act 2007 is up to date with all changes known to be in force on or before 23 June 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. (See end of Document for details)

Textual Amendments

F190 Sch. 2 para. 106 omitted (19.7.2011) (with effect in accordance with Sch. 3 para. 27 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 3 para. 14](#)

Non-charitable expenditure

- 107 (1) This paragraph applies if, as a result of sections 562 to 564, an amount of expenditure for the tax year 2007-2008 or any subsequent tax year (“the carry back tax year”) is treated as non-charitable expenditure for the tax year 2005-2006 or any earlier tax year.
- (2) The amount of relief or exemption to be disallowed in respect of the tax year 2005-2006 or any earlier tax year is not to exceed the amount which would have been disallowed in respect of that tax year if—
- (a) sections 562 to 564 had not applied in relation to the carry back tax year, and
 - (b) the amount of expenditure for the carry back tax year to be treated as non-charitable expenditure for an earlier tax year had instead been calculated in accordance with the provisions mentioned in sub-paragraph (3).
- (3) Those provisions are—
- (a) sections 505 and 506 of ICTA, and
 - (b) Part 3 of Schedule 20 to that Act,
- as those provisions would have had effect in relation to the carry back tax year if the amendments made to them by section 55 of FA 2006 had not been made and the amendments made to them by this Act had not been made.

F191 ...

F191 ...

Textual Amendments

F191 Sch. 2 para. 108 crossheadings omitted (1.1.2014) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 1 para. 52](#), [Sch. 29 para. 31](#)

F191 ...

F192 108

Textual Amendments

F192 Sch. 2 paras. 108-111 omitted (1.1.2014) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 1 para. 52](#), [Sch. 29 para. 31](#)

F192 109

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F192 Sch. 2 paras. 108-111 omitted (1.1.2014) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 1 para. 52](#), [Sch. 29 para. 31](#)

F192110

Textual Amendments

F192 Sch. 2 paras. 108-111 omitted (1.1.2014) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 1 para. 52](#), [Sch. 29 para. 31](#)

Deemed manufactured payments: stock lending arrangements

F192111

Textual Amendments

F192 Sch. 2 paras. 108-111 omitted (1.1.2014) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 1 para. 52](#), [Sch. 29 para. 31](#)

F193112

Textual Amendments

F193 Sch. 2 paras. 112-124 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 15\(4\)](#)

F193113

Textual Amendments

F193 Sch. 2 paras. 112-124 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 15\(4\)](#)

Deemed manufactured payments: repos

F193114

Textual Amendments

F193 Sch. 2 paras. 112-124 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 15\(4\)](#)

F193115

Status: Point in time view as at 10/06/2021.

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Textual Amendments

F193 Sch. 2 paras. 112-124 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 12 para. 15(4)**

F193 116

Textual Amendments

F193 Sch. 2 paras. 112-124 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 12 para. 15(4)**

F193 117

Textual Amendments

F193 Sch. 2 paras. 112-124 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 12 para. 15(4)**

F193 118

Textual Amendments

F193 Sch. 2 paras. 112-124 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 12 para. 15(4)**

Price differences under repos

F193 119

Textual Amendments

F193 Sch. 2 paras. 112-124 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 12 para. 15(4)**

F193 120

Textual Amendments

F193 Sch. 2 paras. 112-124 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 12 para. 15(4)**

F193 121

Textual Amendments

F193 Sch. 2 paras. 112-124 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), **Sch. 12 para. 15(4)**

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F193 122

Textual Amendments

F193 Sch. 2 paras. 112-124 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 15\(4\)](#)

F193 123

Textual Amendments

F193 Sch. 2 paras. 112-124 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 15\(4\)](#)

Powers to modify repo provisions

F193 124

Textual Amendments

F193 Sch. 2 paras. 112-124 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 12 para. 15\(4\)](#)

PART 13

ACCRUED INCOME PROFITS

Sale and repurchase arrangements

- 125 (1) Section 655 applies only if—
- (a) in the case of overseas securities, the agreement to sell the securities mentioned in section 654(2) is entered into after 5 November 1996, and
 - (b) in any other case, the agreement to sell the securities so mentioned is entered into after 30 April 1995.
- (2) In sub-paragraph (1) “overseas securities” has the same meaning as in Part 11 (see section 567).
- 126 (1) This paragraph applies if the agreement to sell the securities mentioned in section 654(2) was made before 9 April 2003.
- (2) Section 655 has effect with the omission of subsection (2).
- (3) For the purpose of determining whether (for the purposes of section 655) there is a sale and repurchase arrangement in respect of the securities, section 654(2) has effect with the omission of paragraph (b).
- (4) Sub-paragraph (5) applies—
- (a) for the purpose of determining whether (for the purposes of section 656) there is a sale and repurchase arrangement in respect of the securities, and

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(b) for the purpose of determining whether (for the purposes of section 657) the case involves redemption arrangements.

(5) Section 654(2) has effect with the substitution for paragraphs (b) and (c) of “or

(b) T or a person connected with T acquires, under the agreement or a related agreement, an option to buy back the securities.”

Successive transfers with unrealised interest in default

127 Section 661 does not apply if the transferor's acquisition was before 28 February 1986.

Unrealised interest received by transferee after transfer within Chapter 2 of Part 12

128 If the transfer of securities within section 681(1)(a) occurred before 19 March 1986, section 681(1) has effect with the omission of paragraph (b).

PART 14

TAX AVOIDANCE

Transactions in securities: general

129 (1) Despite anything in this Act, Chapter 1 of Part 17 of ICTA (cancellation of tax advantages from certain transactions in securities) continues to apply so far as required for the purposes of notices under section 703(3) of that Act requiring adjustments to be made affecting tax years before the tax year 2007-08; and a counteraction notice under Chapter 1 of Part 13 (transactions in securities) may not require such an adjustment to be made.

(2) Subject to that, Chapter 1 of Part 13 applies—

(a) whether or not the transaction or transactions, in consequence of which, or of the combined effect of which, the tax advantage has been or will be obtained, occur on or after 6 April 2007, and

(b) whether or not the tax year to which that advantage relates (“the tax advantage year”) is a year before the tax year 2007-08,

but see section 698(5) (under which no assessments may be made as a result of a counteraction notice later than 6 years after the tax advantage year).

(3) This paragraph is to be interpreted as if it were part of Chapter 1 of Part 13.

Transactions in securities: meaning of relevant companies for the purposes of sections 689 and 690

130 (1) In its application to a transaction in securities that took place before 29 April 1996 or two or more transactions in securities the first of which took place before that date, section 691(1)(b)(i) (meaning of “relevant company”) applies with the substitution for the words “listed in the Official List of” of the words “authorised to be dealt in on”.

(2) In its application to a transaction in securities that took place before 1 January 1997 or two or more transactions in securities the first of which took place before that

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date, section 691(1) applies as if the companies referred to in paragraph (b) included companies none of whose shares or stocks are dealt in on the Unlisted Securities Market regularly or from time to time.

- (3) In this paragraph “companies” and “transaction in securities” have the same meaning as in Chapter 1 of Part 13 (see section 713).

Transactions in securities: statement of case by tribunal for opinion of High Court or Court of Session

- 131 If a tribunal has made a determination under section 705(3) of ICTA (determination on rehearing of appeal against notice under section 703 of ICTA) within 30 days before 6 April 2007, the appellant or an officer of Revenue and Customs may require the tribunal to state and sign a case under section 707(2) of this Act, despite not having declared dissatisfaction with the determination.

Transactions in securities: appeals to House of Lords

- 132 (1) This paragraph applies until paragraph 47 of Schedule 9 to the Constitutional Reform Act 2005 (c. 4) comes into force.
- (2) Section 710 has effect until that time as if—
- (a) references in subsections (1), (2) and (4) to the Supreme Court were references to the House of Lords, and
 - (b) in subsection (3) the words “unless leave has been given under and in accordance with section 1 of the Administration of Justice (Appeals) Act 1934” were substituted for the words “except with the leave of the Court of Appeal or the Supreme Court”.
- (3) Section 711(4) has effect until that time as if the reference to the Supreme Court were a reference to the House of Lords.

Transfers of assets abroad: non-transferors receiving benefit- exclusion of income arising before 10 March 1981

- 133 (1) Section 732 (non-transferors receiving a benefit as a result of relevant transactions) applies whenever the relevant transfer referred to in that section took place.
- (2) But the relevant income referred to in section 733(1) (by reference to which the amount of income treated as arising under section 732 is determined) does not include income that arose before 10 March 1981.

Transfers of assets abroad: whether trustees are “persons abroad”

- 134 (1) This paragraph deals with whether section 475 (residence of trustees) applies in determining if the single person mentioned in section 474 is a person abroad (as defined in section 718) for the purposes of sections 727 to 730 (charge where individuals receive capital sums as a result of transfers of assets abroad etc) (and accordingly whether section 718(2)(b) applies for those purposes).
- (2) Section 475 does not apply for the purposes of sections 727 to 730 in relation to income payable before 15 June 1989.

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- (3) Section 475 does not apply for the purposes of sections 727 to 730 in relation to income payable on or after 15 June 1989 if—
- (a) the individual received or became entitled to receive the capital sum mentioned in section 729(1) before that date, and
 - (b) the capital sum was wholly repaid or the right to it waived before 1 October 1989.
- (4) In sub-paragraph (3) “capital sum” has the meaning given in section 729, and subsection (4) of that section applies for the purposes of that sub-paragraph as it applies for the purposes of section 729(1).
- 135 (1) Sub-paragraph (2) deals with whether section 474 (trustees of settlement to be treated as a single and distinct person) and section 475 (residence of trustees) apply for the purposes of sections 731 to 735 (charge where benefit received) (and accordingly whether section 718(2)(b) applies for those purposes).
- (2) Sections 474 and 475 do not apply for the purposes of sections 731 to 735 in relation to benefits received before 15 June 1989.
- (3) Sub-paragraphs (4) and (5) apply for the purposes of section 733 (income charged under section 731) in finding the amount of income treated as arising under section 732(2) in respect of benefits received on or after 15 June 1989.
- (4) In determining the relevant income of an earlier tax year for the purposes of section 733(1) (see Step 4), income that arose to the trustees of a settlement before 6 April 1989 is treated as arising to persons abroad if one or more of the trustees were resident outside the United Kingdom, even though one or more were not so resident.
- (5) But sub-paragraph (4) does not apply if the trustees have been charged to tax on that income.

Transfers of assets abroad: whether personal representatives are “persons abroad”

- 136 (1) This paragraph deals with whether section 834 (residence of personal representatives) applies in determining if personal representatives are persons abroad (as defined in section 718) for the purposes of sections 727 to 730 (charge where individuals receive capital sums as a result of transfers of assets abroad etc) (and accordingly whether section 718(2)(c) applies for those purposes).
- (2) Section 834 does not apply for the purposes of sections 727 to 730 in relation to income payable before 15 June 1989.
- (3) Section 834 does not apply for the purposes of sections 727 to 730 in relation to income payable on or after 15 June 1989 if—
- (a) the individual received or became entitled to receive the capital sum mentioned in section 729(1) before that date, and
 - (b) the capital sum was wholly repaid or the right to it waived before 1 October 1989.
- (4) In sub-paragraph (3) “capital sum” has the meaning given in section 729, and subsection (4) of that section applies for the purposes of that sub-paragraph as it applies for the purposes of section 729(1).
- 137 (1) Sub-paragraph (2) deals with whether section 834 (residence of personal representatives) applies for the purposes of sections 731 to 735 (charge where

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individuals receive a benefit as a result of transfers of assets abroad etc) (and accordingly whether section 718(2)(c) applies for those purposes).

- (2) Section 834 does not apply for the purposes of sections 731 to 735 in relation to benefits received before 15 June 1989.
- (3) Sub-paragraphs (4) and (5) apply for the purposes of section 733 (income charged under section 731) in finding the amount of income treated as arising under section 732(2) in respect of benefits received on or after 15 June 1989.
- (4) In determining the relevant income of an earlier tax year for the purposes of section 733(1) (see Step 4), income that arose to personal representatives before 6 April 1989 is treated as arising to persons abroad if one or more of them were resident outside the United Kingdom, even though one or more were not so resident.
- (5) But sub-paragraph (4) does not apply if the personal representatives have been charged to tax on that income.

Transfers of assets abroad: company residence for transfers between 20 March 1990 and 29 November 1993

- 138 (1) In relation to transfers and associated operations on or after 20 March 1990 and before 30 November 1993, a body corporate regarded as resident in a territory outside the United Kingdom for the purposes of any double taxation arrangements is treated as if it were resident outside the United Kingdom for the purposes of Chapter 2 of Part 13 (transfer of assets abroad).
- (2) In this paragraph “transfers” and “associated operations” have the same meaning as in Chapter 2 of Part 13 (see sections 716 and 719 respectively).

Transfers of assets abroad: information powers concerning transfers between 20 March 1990 and 29 November 1993 involving companies

- 139 (1) So far as section 749(6) (restrictions on information to be provided under section 748) applies for the purposes of section 749(2) or (3), it applies in relation to transfers and associated operations on or after 20 March 1990 and before 30 November 1993 with the modification specified in sub-paragraph (2).
- (2) The modification is that the reference to bodies corporate resident outside the United Kingdom includes a reference to bodies corporate regarded as resident in a territory outside the United Kingdom for the purposes of any double taxation arrangements.

Transfers of assets abroad: income arising before 26 November 1996

- 140 Sections 721(5)(b) and (c) and 728(3)(b) and (c) do not apply if the income arose before 26 November 1996.

Transfers of assets abroad: meaning of “associated operation” and consideration of associated operations alone

- 141 (1) In relation to any time before 5 December 2005, the reference in section 716(1)(b) (meaning of “relevant transfer”) to income which becomes payable to a person abroad does not include income that becomes so payable just as a result of one or more associated operations.

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- (2) In relation to any time before 5 December 2005, section 719 (meaning of “associated operation”) applies as if subsection (2) were omitted.
- (3) In relation to any time before 5 December 2005, the reference in section 721(2) (individuals with power to enjoy income as a result of relevant transactions) to income which an individual has power to enjoy does not include income which the individual has power to enjoy just as a result of one or more associated operations.
- (4) In relation to any time before 5 December 2005, the reference in section 728(1)(a) (individuals receiving capital sums as a result of relevant transactions) to income which has become the income of a person abroad does not include income that has become such income just as a result of one or more associated operations.
- (5) In this paragraph—
 - (a) “associated operation” has the meaning given in section 719, and
 - (b) references to power to enjoy income are to be read in accordance with section 722 (when an individual has power to enjoy income of a person abroad).

Individuals in partnership: recovery of excess relief

- 142 In section 792(1)—
- (a) the reference to the claiming of relief includes a reference to the claiming of relief as mentioned in section 74(1)(a) and (b) of FA 2005, and
 - (b) the reference to sections 104, 107 and 110 includes a reference to section 117 of ICTA (including as applied by section 118ZB of that Act) and section 118ZE of that Act.
- 143 (1) The losses covered by section 794(1) and (2) in relation to a trade include losses within section 74(5) of FA 2005 made in the trade.
- (2) The income covered by section 794(3) includes amounts treated as received as a result of the application of section 74 of FA 2005.
 - (3) Sub-paragraph (4) applies for the purposes of section 794(5) if, as a result of paragraph 142(b), the relevant restriction provision would be section 117 of ICTA (including as applied by section 118ZB of that Act) or section 118ZE of that Act.
 - (4) The relevant restriction provision is instead taken to be—
 - (a) in the case of section 117 of ICTA (other than as applied by section 118ZB of that Act), section 104,
 - (b) in the case of section 117 of ICTA (as applied by section 118ZB of that Act), section 107, and
 - (c) in the case of section 118ZE of ICTA, section 110.
 - (5) In section 794(6) the reference to subsection (2)(b) includes a reference to section 74(11)(b) of FA 2005.

Individuals claiming relief for film-related trading losses

- 144 (1) The claims covered by section 797(1)(a) include claims within section 119(1)(a) of FA 2004.
- (2) For the purposes of section 797—

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- (a) a “relevant disposal” does not include a disposal which was made before 10 December 2003, and
- (b) an event occurring before the tax year 2007-08 is an “exit event” if (and only if) it is an “exit event” for the purposes of section 119 of FA 2004.
- 145 (1) The losses covered by section 800(3)(a) include losses in relation to which a claim is made as mentioned in section 121(1)(a) or (b) of FA 2004.
- (2) The income covered by section 800(5) includes amounts treated as received as a result of the application of section 74 of FA 2005.
- (3) The losses covered by section 800(6) in relation to a trade include losses within section 121(1A)(b) of FA 2004 made in the trade.
- (4) In section 800(9) the reference to the making of a claim includes a reference to the making of a claim as mentioned in section 122A(1) of FA 2004.
- 146 In section 801(3) the reference to the making of a claim includes a reference to the making of a claim as mentioned in section 122A(1) of FA 2004.
- 147 (1) In section 802(1) the reference to the making of a claim includes a reference to the making of a claim as mentioned in section 122A(1) of FA 2004.
- (2) The repeal by this Act of section 122A of FA 2004 (or any provision inserting or amending, or affecting the application of, that section) does not affect the power of the Commissioners for Her Majesty's Revenue and Customs to make regulations under that section having effect before the tax year 2007-08.
- 148 (1) After the commencement of section 802, the Partnerships (Restrictions on Contributions to a Trade) Regulations 2006 (S.I. 2006/1639) have effect as if made under that section.
- (2) The Regulations so have effect subject to the following modifications.
- (3) They have effect as if in regulation 2—
- (a) for the definition of “ICTA” there were substituted—
- ““ITA 2007” means the Income Tax Act 2007;”, and
- (b) for the definition of “relevant individual” there were substituted—
- ““relevant individual” means—
- (a) a limited partner (within the meaning given by section [F194]103A] of ITA 2007),
- (b) a member of a limited liability partnership, or
- (c) a non-active partner (within the meaning given by section [F195]103B] of ITA 2007),
- where the partnership carries on a trade in which the individual makes a film-related loss (as defined in section 800(2) of ITA 2007) for which the individual makes a claim as mentioned in section 802(1) of that Act;”.
- (4) They have effect as if in regulation 3(a) for “section 120 of the Finance Act 2004” there were substituted “ section 799 of ITA 2007 ”.
- (5) They have effect as if in regulation 4—

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- (a) for “contribution to the trade”, wherever occurring, there were substituted “capital contribution”;
- (b) for “section 119(2)(b) or (c) of the Finance Act 2004”, wherever occurring, there were substituted “section 797(2)(b) of ITA 2007”, and
- (c) for paragraph (c)(ii) there were substituted—
 - “(ii) the amount of income treated as received in accordance with section 797(5) of that Act.”

- (6) See paragraph 35 of this Schedule for provision about the effect of the Partnerships (Restrictions on Contributions to a Trade) Regulations 2005 (S.I. 2005/2017) after the commencement of section 802.

Textual Amendments

F194 Word in Sch. 2 para. 148(3)(b) substituted (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 4 paras. 19\(a\), 21](#)

F195 Word in Sch. 2 para. 148(3)(b) substituted (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 4 paras. 19\(b\), 21](#)

- 149 (1) In section 803 references to chargeable events include events that are chargeable events for the purposes of section 119 of FA 2004.
- (2) Accordingly, the total amount of income mentioned in section 803(3) is to include any income treated as received as a result of section 119(5)(b) of FA 2004.

Individuals in partnership: exit charge

- 150 (1) The losses covered by section 805(1)(b) include losses in relation to which a claim is made as mentioned in section 126(1)(c) of FA 2004.
- (2) The disposals covered by section 805(2)(a) and (b) do not include disposals made before 10 February 2004.
- 151 (1) In section 806 at Step 4 non-taxable consideration received before 10 February 2004 is excluded.
- (2) In section 806 at Step 5—
 - (a) the reference to section 805 includes a reference to section 127 of FA 2004, and
 - (b) the reference to chargeable events includes a reference to chargeable events for the purposes of section 127 of FA 2004.
- 152 (1) This paragraph applies for the purposes of sections 805 to 807 if the individual carried on the trade at any time before 26 March 2004.
- (2) Any reference to expenditure incurred in the trade in exploiting the licence does not include expenditure incurred before 10 February 2004.
- 153 The losses covered by section 807(4) include losses in relation to which a claim has been made as mentioned in section 128(2)(a) or (b) of FA 2004.

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PART 15

DEDUCTION OF INCOME TAX AT SOURCE

Deduction by deposit-takers: discretionary or accumulation settlements

F196 154

Textual Amendments

F196 Sch. 2 paras. 154-156 omitted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by virtue of Finance Act 2016 (c. 24), Sch. 6 para. 23

F196 155

Textual Amendments

F196 Sch. 2 paras. 154-156 omitted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by virtue of Finance Act 2016 (c. 24), Sch. 6 para. 23

Deduction by deposit-takers and building societies: declarations of non-UK residence

F196 156

Textual Amendments

F196 Sch. 2 paras. 154-156 omitted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by virtue of Finance Act 2016 (c. 24), Sch. 6 para. 23

Deduction by deposit-takers: qualifying certificates of deposit

- 157 (1) This paragraph applies to a certificate of deposit which was issued by a deposit-taker before 13 March 1984 on terms which provide for interest to be payable on the deposit at any time after 5 April 1985 (whether or not interest is payable on it before that date).
- (2) The certificate of deposit is to be treated as a qualifying certificate of deposit for the purposes of section 865.

Deduction by deposit-takers: qualifying time deposits

- 158 (1) This paragraph applies to a deposit with a deposit-taker which—
- (a) was made before 6 July 1984, and
 - (b) meets the condition in sub-paragraph (2).
- (2) The condition is that the deposit is made on terms which—
- (a) do not make provision for the transfer of the right to repayment,
 - (b) prevent partial withdrawals of, or additions to, the deposit, and
 - (c) require the deposit-taker—

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- (i) to repay the sum at the end of a specified period ending after 5 April 1985, or
 - (ii) if interest is payable only when the deposit is repaid, to repay the sum on demand or on notice.
- (3) The deposit is to be treated as a qualifying time deposit for the purposes of section 866.

Deduction by deposit-takers and building societies: saving for regulations

- 159 (1) This paragraph applies to regulations which—
 - (a) were made under section 477A(1) to (2A) of ICTA (building societies: regulations for deduction of tax),
 - (b) were in force immediately before the commencement of the repeal of those provisions by this Act, and
 - (c) could have been made under section 17 of TMA 1970 as amended by this Act, if those amendments had been in force at the time the regulations were made.
- (2) The regulations have effect after the commencement of the repeal of section 477A(1) to (2A) of ICTA as if made under section 17 of TMA 1970 as amended by this Act.
- 160 (1) This paragraph applies to regulations about the making of declarations to building societies which—
 - (a) were made under section 477A(1) to (2A) of ICTA,
 - (b) were in force immediately before the commencement of the repeal of those provisions by this Act, and
 - (c) could have been made under section 132 or 133 of FA 1999 (electronic communications), if provision about the making of declarations to building societies had precluded to any extent the use of electronic communications for that purpose at the time that the regulations were made.
- (2) The regulations have effect after the commencement of the repeal of section 477A(1) to (2A) of ICTA as if made under section 132 and 133 of FA 1999.
- (3) Regulations under sections 132 and 133 of FA 1999 may make any provision in relation to Chapter 2 of Part 15 of this Act which they could have made if that Chapter had come into force before those sections.

Deduction by deposit-takers, building societies etc: collection of tax

- 161 Chapter 15 of Part 15 has effect for return periods which—
 - (a) fall within accounting periods ending on or after 6 April 2007, and
 - (b) end on or after that date.
- 162 (1) This paragraph applies to a payment—
 - (a) which is made in an accounting period beginning before 6 April 2007 and ending on or after that date, and
 - (b) which was made before 6 April 2007, but which would have been a payment within section 946 if it had been made on or after that date.
- (2) A payment to which this paragraph applies is to be treated as a payment within section 946 if it is made in a return period which—

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- (a) falls within the accounting period,
- (b) begins before 6 April 2007, and
- (c) ends on or after that date.

- (3) In addition, a payment to which this paragraph applies which was made in an earlier return period which falls within the accounting period is to be treated as a payment within section 946.

Deduction from certain payments of yearly interest: interest paid by banks

- 163 (1) In the case of payments of interest to which this paragraph applies, section 878 (exceptions from duty to deduct: interest paid by banks) has effect with the modification in sub-paragraph (2).
- (2) The modification is the substitution for subsections (1) and (2) of that section of “The duty to deduct a sum representing income tax under section 874 does not apply to a payment of interest by a bank carrying on a genuine banking business in the United Kingdom.”
- (3) This paragraph applies to interest payable on an advance made before 29 April 1996.

Deduction from certain payments of yearly interest: interest paid on advances from banks

- 164 (1) In the case of payments of interest to which this paragraph applies, section 879 (exceptions from duty to deduct: interest paid on advances from banks) has effect with the modification in sub-paragraph (2).
- (2) The modification is the substitution for subsections (1) to (4) of that section of “The duty to deduct a sum representing income tax under section 874 does not apply to a payment of interest in the United Kingdom on an advance from a bank carrying on a genuine banking business in the United Kingdom.”
- (3) This paragraph applies to interest payable before 29 April 1996.
- (4) In the case of an institution which—
- (a) immediately before 29 April 1996 was not treated for the purposes of section 349(3)(a) of ICTA as a bank carrying on a genuine banking business in the United Kingdom, and
 - (b) on that day fell within the definition of “bank” given by section 840A of ICTA,
- this paragraph applies to interest payable on an advance made before that day.
- (5) In the case of an institution which—
- (a) immediately before 29 April 1996 was treated for the purposes of section 349(3)(a) of ICTA as a bank carrying on a genuine banking business in the United Kingdom, and
 - (b) on that day did not fall within the definition of “bank” given by section 840A(1) of ICTA,
- this paragraph applies to the interest mentioned in sub-paragraph (6).
- (6) That interest is any interest payable on an advance made before 29 April 1996, if at the time when the interest is paid the person beneficially entitled to the interest is within the charge to corporation tax as respects the interest.

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Deduction from certain UK public revenue dividends

- 165 (1) This paragraph applies if—
- (a) any person holds any gilt-edged securities in relation to which a direction was given under section 50(1) of ICTA at any time before 6 April 1998, and
 - (b) that person at any time before that date made an application under section 50(2) of that Act with respect to those securities.
- (2) The person is treated as having made a deduction at source application under section 895 in respect of the securities which (unless withdrawn) is treated as having effect from that date.
- 166 (1) This paragraph applies in relation to any gilt-edged securities issued before 6 April 1998 which—
- (a) are securities the interest on which, if paid immediately before that date, would have fallen to be paid after deduction of income tax, and
 - (b) are registered within the meaning of section 895 but are not securities in relation to which any direction under section 50 of ICTA was given before that date.
- (2) Chapter 5 of Part 15 has effect as if the appropriate person had made a deduction at source application under section 895 in respect of the securities so as to enable that application to have effect from (and including) that date.
- (3) In sub-paragraph (2) “the appropriate person” means—
- (a) in the case of securities transferred before 6 April 1998 but after the time when the balance was struck for a dividend on them falling due on or after that date, the person who held the securities at the time when the balance was struck,
 - (b) in any other case, the person holding the securities in question immediately before 6 April 1998.

Unauthorised unit trusts: calculation of trustees' income pool

F197 167

Textual Amendments

F197 Sch. 2 para. 167 omitted (6.4.2014) by virtue of [The Unauthorised Unit Trusts \(Tax\) Regulations 2013 \(S.I. 2013/2819\)](#), regs. 1(3), **37(19)** (with reg. 32)

F198 168

Textual Amendments

F198 Sch. 2 para. 168 omitted (6.4.2014) by virtue of [The Unauthorised Unit Trusts \(Tax\) Regulations 2013 \(S.I. 2013/2819\)](#), regs. 1(3), **37(19)** (with reg. 32)

Non-resident landlords

- 169 (1) Sub-paragraph (2) applies to any references in the Taxation of Income from Land (Non-residents) Regulations 1995 (S.I. 1995/2902) to payments to be made to the

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Board in respect of tax that is or may become chargeable as the income from a business of a non-resident (as defined in those regulations).

- (2) On and after 6 April 2007 those references are to be read as references to income tax to be paid to the Commissioners for Her Majesty's Revenue and Customs in respect of non-resident landlord income (as defined in section 971(2)).

Interpretation

- 170 Expressions used in this Part of this Schedule and in Part 15 have the same meaning as they have in Part 15.

PART 16

OTHER PROVISIONS

Old references to surtax and standard rate tax

- 171 The repeal by this Act of section 819 of ICTA has no effect in relation to any instrument (of whatever nature), will or codicil made before the date on which this Act comes into force.

Section 820 of ICTA

- 172 Section 820 of ICTA (application of Income Tax Acts from year to year) applies to this Act as if this Act were in force on the day before 6 April 2007.

SCHEDULE 3

Section 1031

REPEALS AND REVOCATIONS

Modifications etc. (not altering text)

- C1** Sch. 3 modified (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 10 para. 7](#)

PART 1

REPEALS AND REVOCATIONS: GENERAL

<i>Reference</i>	<i>Extent of repeal or revocation</i>
Taxes Management Act 1970 (c. 9)	In section 12AB(1)(a), sub-paragraph (iv) and the “and” immediately before it. In section 42(7)— (a) in paragraph (a), the word “723(3),”, and (b) the word “and” at the end of paragraph (d).

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In section 46C(1)(b) and (3), the words “of the principal Act”.

Section 55(1)(c).

Section 98(4C).

In the first column of the Table in section 98—

- (a) the entry relating to regulations under section 42A of ICTA,
- (b) the entry relating to regulations under section 476(1) of ICTA,
- (c) the entry relating to regulations under section 477A(1) of ICTA,
- (d) the entry relating to section 482(3) of ICTA,
- (e) the entry relating to regulations under section 482(11) of ICTA,
- (f) the entry relating to section 483 of ICTA,
- (g) the entry relating to regulations under section 555(7) of ICTA,
- (h) the entry relating to section 745(1) of ICTA,
- (i) the entry relating to paragraph 5(2) of Schedule 15B to ICTA,
- (j) the entry relating to regulations under paragraph 11B(5) of Schedule 28B to ICTA,
- (k) the entry relating to section 86(12) of FA 1995, and
- (l) the entry relating to regulations under Schedule 33 to FA 2002.

In the second column of the Table in section 98—

- (a) the entry relating to regulations under section 42A of ICTA,
- (b) the entry relating to section 350(1) of ICTA,
- (c) the entry relating to regulations under section 476(1) of ICTA,
- (d) the entry relating to regulations under section 477A(1) of ICTA,
- (e) the entry relating to section 482(2) of ICTA,
- (f) the entry relating to regulations under section 482(11) of ICTA,
- (g) the entry relating to regulations under section 555(7) of ICTA,
- (h) the entry relating to paragraph 5(1) of Schedule 15B to ICTA,
- (i) the entry relating to Schedule 16 to ICTA,
- (j) the entry relating to regulations under Schedule 33 to FA 2002, and

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	(k) the entry relating to regulations under section 122 of FA 2006.
Finance Act 1971 (c. 68)	Section 21. Schedule 3.
Income Tax (Prescribed Deposit-takers) (No.1) Order (S.I. 1984/1801)	The whole Order.
Income Tax (Composite Rate) (Prescribed Deposit-takers) Order (S.I. 1985/1696)	The whole Order.
Income and Corporation Taxes Act 1988 (c. 1)	Sections 1 to 4. Section 7(1). In section 9(6), the words from the beginning to “this Act; and”. Section 42A. Sections 50, 51 and 51AA. In section 105(2), the words “or by virtue of section 90(4) of the Finance Act 1995”. Section 109A. Section 117. In section 118(2)— (a) in the definition of “relevant accounting period”, the words “(within the meaning of section 117(2))”, and (b) in the definition of “the relevant sum”, the words “(within the meaning of section 117(3))”. In section 118ZC— (a) in subsection (2), the words “that section and”, and (b) subsection (5). In section 118ZD(1), the words “117 or”. Sections 118ZE to 118ZO. In section 125— (a) in subsection (1), the words “shall be made without deduction of income tax and”, (b) in subsection (2)(b), the words “income tax or”, (c) in subsection (3), paragraph (d) and the “or” immediately before it. Section 214(1)(b). In section 231AA— (a) in subsection (1), the words “above or section 397(1) of ITTOIA 2005”, and (b) subsection (1A). In section 231AB— (a) in subsection (1), the words “above or section 397(1) of ITTOIA 2005”, and (b) subsection (1A). Section 256(3). Section 257BA(6). Section 257BB(3A).

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In section 265—

- (a) in subsection (1), the words “from his total income”, and
- (b) subsection (3).

In section 266—

- (a) in subsection (3), the words from “, except” to “subsection (6) below”,
- (b) subsections (6) and (6A),
- (c) in subsection (8), the words “(subject to section 278(3))”, and
- (d) in subsection (13), the words “this section and”.

Section 276.

Section 277.

In section 278—

- (a) subsection (1), and
- (b) in subsection (2), paragraphs (b) to (e) and the “or” immediately before paragraph (b).

Sections 282 to 282B.

Section 305A.

Section 320.

Section 323.

Section 332A.

Sections 334 to 336.

In section 347A—

- (a) subsection (2A), and
- (b) in subsection (6) the words “or (2A)”.

Sections 347B to 352.

In section 353—

- (a) in subsection (1) the words “sections 359 to 368 of this Act and”,
- (b) subsection (1B),
- (c) in subsection (1E) the words “under this section”, and
- (d) subsections (1F) to (1H).

Sections 359 to 364.

In section 366(1)(c), the words from “(or” to “income)”.

Section 367(2) to (4).

Section 368.

Chapter 1 of Part 10.

In section 397—

- (a) subsection (1),
- (b) in subsection (5), the definition of “chargeable period” and in the definition of “prior period of loss” the words “years of assessment or”,
- (c) in subsection (7), the words “the calculation of the profits of a trade in Part 2 of ITTOIA 2005 or to” and “, in relation to a chargeable period of a company”, and

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(d) in subsection (10), the words “from income tax or from corporation tax”.

In section 398—

- (a) the words “above or Chapter 11 of Part 4 of ITTOIA 2005 (transactions in deposits)”, and
- (b) in paragraph (a), the words “above or that Chapter”.

In section 399(2)(a), the words “and that person or one or more of the other partners was a company”.

In section 458—

- (a) in subsection (1), the words “and the Income Tax Acts”,
- (b) in subsection (2), the words “section 380 or”, and
- (c) subsection (2)(b) and the “and” immediately before it.

In section 459, the words “income tax and”.

In section 460(1), the words “income tax and”.

In section 461, in subsection (1) the words “income tax and” and in subsection (4)(b) the words “income tax or”.

In section 461B, in subsection (1) the words “income tax and” and in subsection (5) the words “income tax or”.

In section 467(1), in paragraph (a), the words “to exemption from income tax and corporation tax”, and in paragraph (b), the words “to exemption from tax”.

In section 468(6), the definition of “unit trust scheme” and the “and” immediately before it.

In section 469—

- (a) in subsection (2) the words from “and, in the case of income” to the end, and
- (b) subsections (2A) to (4), (5A) to (5D) and (7) to (10).

In section 477A—

- (a) subsections (1) to (2A),
- (b) in subsection (3), the words from “For any” to “above apply”,
- (c) in subsection (3)(b), the words “paid or credited in the year of assessment”,
- (d) subsection (7), and
- (e) in subsection (10), the definitions of “qualifying certificate of deposit”, “qualifying deposit right” and “security”.

Sections 480A to 482.

Section 486(2), (3) and (6).

Section 492(2).

Section 504A.

In section 505—

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- (a) in subsection (1)(a), the words “, or under Parts 2 and 3 of ITTOIA 2005,”,
- (b) in subsection (1)(c)(ii), the words from “or under Chapter 2, 7, 8 or 10” to the end of the sub-paragraph,
- (c) subsection (1)(c)(iiaa) and (iii),
- (d) in subsection (1)(d), the words “or Chapter 2 of Part 4 of ITTOIA 2005 (interest)”,
- (e) in subsection (1)(e), the words “or Part 2 of ITTOIA 2005 (trading income)”,
- (f) in subsection (1)(f), the words “or Part 2 or 5 of ITTOIA 2005 (trading and miscellaneous income”, and
- (g) in subsection (2), the words from “chargeable to income tax” to “and shall be”.

In section 506C(1)—

- (a) paragraph (d), and
- (b) the “or” at the end of paragraph (h).

In section 510A(3), paragraph (b) and the “and” immediately before it.

Section 515.

Section 516.

In section 524(3)—

- (a) the word “and” at the end of paragraph (a), and
- (b) paragraphs (b) and (c).

Section 527(4).

Sections 536, 537 and 537B.

Section 555.

In section 556(5), the words from the beginning to “, and”.

Section 558(1) to (4).

In section 573(4), the words from “and where” to “chargeable gains”.

Section 574.

In section 575, in the sidenote the words “or 574”, in subsection (2), the words “or 574”, in each place where they occur, and in subsection (3), the words “or 574”.

In section 576, in subsection (1), the words “or 574”, subsections (1A) and (1B) and subsections (2) to (5).

Section 581A.

In section 582(1)(b), the words from “or section” to “income tax purposes”.

Section 582A.

Section 587A.

In section 587B—

- (a) subsection (2)(a)(i),
- (b) in subsection (2)(a)(ii), the words “in the case of a disposal by a company”,

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- (c) in subsection (2)(b), the words from “of this Act” to the end,
- (d) in subsection (2), the words from “but paragraph (a)(i)” to the end, and
- (e) subsection (3).

In section 587C—

- (a) subsections (2) and (3),
- (b) subsection (10)(a) and the “and” immediately after it, and
- (c) in subsection (10)(b), the words “in the case of a company,”.

In section 658(4)(b) the words “(notwithstanding anything in section 348)”.

Section 660C(3).

Sections 685A to 687.

Section 689A.

Section 689B(4).

Sections 690 to 694.

Section 698A.

In section 703, in subsection (3) the words “in the case of corporation tax” and subsections (3A) and (11).

In section 704, in paragraph A, the words from “, or” at the end of paragraph (da) to the end of paragraph (g).

Sections 710 to 727A.

In section 728(2), the words from “In relation to transactions before” to the end.

In section 730A(7), the words from “, 613(4) or” to “Act 2004”.

Section 733(2).

In section 736B(2A)—

- (a) in paragraph (a), the words “income tax or”, and
- (b) in paragraph (b), the words “total income or, as the case may be,”.

Section 736C(8).

In section 737A(5A), the words “income tax or”, “total income or” and “Where the relevant person is a company,”.

In section 737C—

- (a) in subsection (7), the words from “and in subsection (8) below” to the end, and
- (b) subsection (8).

In section 737D(1), the words from “, 613(4) or” to “Act 2004”.

In section 737E—

- (a) in subsections (1) and (2), the word “727A,”,
- (b) in subsections (4) and (6)(b), the words “or 263D”, and
- (c) in the sidenote, the word “727A,”.

Sections 739 to 746.

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In section 747(4), paragraph (b) and the “and” immediately before it.

In section 761(6), the words from “, but” to the end.

Section 775.

In section 776, subsections (3A)(a) and (3B), in subsection (6)(a) the words “Part 2 of ITTOIA 2005 or”, in subsection (6)(b) the words from “section 158” to “be”, in subsection (7) the words “Part 2 of ITTOIA 2005 or” and subsection (9).

In section 777, in subsection (8) the second sentence, subsection (9) and in subsection (13) the words from “and any” to the end.

F199
...

Section 804(6).

In section 807—

- (a) in subsection (1), the words “or corporation tax”, and
- (b) subsection (6).

In section 811(2), paragraph (b) and the “and” immediately after it.

Section 816(3A).

Section 818.

Section 819.

In section 821(3), paragraph (aa) and the “and” immediately after it.

Section 823.

Section 827A.

In section 828—

- (a) in subsection (2) the words “841(1)(b) or”,
- (b) in subsection (4) the words “1(6),” and “257C, 582A(1),” and “or section 82(4) (d) of the Capital Allowances Act”, and
- (c) in subsection (5) the words “or section 873 of ITTOIA 2005” and “or ITTOIA 2005”.

Section 829.

In section 830(1), the words “income tax and”.

In section 832(1)—

- (a) the definitions of “basic rate” and “basic rate limit”,
- (b) the definition of “higher rate”,
- (c) the definition of “industrial assurance business”,
- (d) the definition of “interest”,
- (e) the definitions of “investment LLP” and “property investment LLP”,
- (f) the definition of “lower rate”,
- (g) in the definition of “notice”, the words “or in a form authorised (in relation to the case in question) by directions

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- under section 118 of the Finance Act 1998”,
- (h) in the definition of “overseas property business”, paragraph (a) and, in paragraph (b), “for the purposes of corporation tax”,
 - (i) the definition of “preference dividend”,
 - (j) the definition of “the rate applicable to trusts”,
 - (k) the definition of “relevant foreign income”,
 - (l) the definitions of “starting rate” and “starting rate limit”,
 - (m) the definition of “step-child”,
 - (n) in the definition of “tax credit”, in paragraph (a), “for the purposes of corporation tax” and paragraph (b),
 - (o) the definitions of “the dividend ordinary rate”, “the dividend trust rate” and “the dividend upper rate”, and
 - (p) the definition of “UK property business”.

Section 832(5).

Section 833.

Section 835.

Section 836.

Section 836B.

Section 837.

Section 842AA.

In section 842B—

- (a) subsection (1)(a) and the “and” immediately after it,
- (b) in subsection (2), the words “an investment LLP or”, and
- (c) in the sidenote, the words ““investment LLP” and”.

In Schedule 15B, Part 1.

Schedule 16.

In Schedule 23A—

- (a) in paragraph 1(1) the definition of “interest manufacturer” and, in the definition of “manufactured dividend”, “manufactured interest” and “manufactured overseas dividend”, the words “, “manufactured interest”” and “, 3”.
- (b) paragraph 2(3)(c) and the “and” immediately before it,
- (c) in paragraph 2(6)(a) the words “to which sub-paragraph (3) above applies”,
- (d) paragraphs 2A to 3A,
- (e) paragraph 4(2) to (3B),

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- (f) in paragraph 4(4), the words from “as they apply” to “branch or agency in the United Kingdom”,
 - (g) in paragraph 4(5), paragraph (a),
 - (h) paragraph 4(6) to (7AA),
 - (i) in paragraph 7(1), the words “manufactured interest or”, “3 or” and “interest or” and the words “, as the case may be” where they occur for the first time, and the word “3(1)”,
 - (j) in paragraph 7(1A), the words “manufactured interest or”,
 - (k) in paragraph 7(3), the words “3(1) or”, “manufactured interest or” and “3 or”,
 - (l) in paragraph 7(4)(b), the words “or set off” and “income or”,
 - (m) in paragraph 8(1), the words “, manufactured interest” in both places where they occur and the words “, interest manufacturers”,
 - (n) in paragraph 8(1A), the words “or the 1992 Act”,
 - (o) in paragraph 8(2), paragraphs (c) and (d) and the words “or to” and “, manufactured interest or manufactured overseas dividends”,
 - (p) paragraph 8(2A), and
 - (q) paragraph 8(3)(b).
- Schedule 28B.
- Finance Act 1988 (c. 39)
- Sections 23 to 25.
Section 34.
Section 36(2) to (6).
Sections 37, 38 and 40.
Section 71.
In section 130(7)(c)—
 - (a) sub-paragraphs (i) and (ii), and
 - (b) the “or” immediately before sub-paragraph (iii).In Schedule 3, paragraphs 11, 15 and 22.
In Schedule 6, paragraph 3(3) to (5).
- Copyright, Designs and Patents Act 1988 (c. 48)
- In Schedule 7, paragraph 36(4), (5) and (6).
- Finance Act 1989 (c. 26)
- Sections 30 to 32.
Sections 47 and 48.
In section 96—
 - (a) subsection (2), and
 - (b) in subsection (4), the words “and subsection (2) above”.In section 111—
 - (a) subsections (1) to (3) and (6) to (8), and

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	(b) in subsection (5), the words “Subject to subsections (6) to (8) below.”.
	Section 149(3)(d).
	In section 151—
	(a) in subsection (2)(a) the words from “other” to “2005.”,
	(b) subsection (2)(b) and the “and” immediately before it, and
	(c) subsection (3).
	In Schedule 12, paragraphs 12(1) to (3), 13(1) to (3) and 17.
Finance Act 1990 (c. 29)	Sections 17 and 18.
	In section 25, subsections (1) to (9A), (11) and (13).
	In Schedule 5, paragraphs 7 to 11 and 16.
	In Schedule 6—
	(a) paragraph 9,
	(b) paragraph 11(1), and
	(c) in paragraph 11(2), the words “Subject to sub-paragraph (1) above”.
Contracts (Applicable Law) Act 1990 (c. 36)	In Schedule 4, paragraph 6.
Finance Act 1991 (c. 31)	Sections 21 and 22.
	Section 53.
	Section 72.
	Section 118(1).
	In Schedule 10, paragraph 2.
	In Schedule 11, paragraphs 1, 2(2), 3 and 4.
	In Schedule 12, paragraphs 1 and 2.
Income Tax (Building Societies) (Annual Payments) Regulations (S.I. 1991/512)	The whole Regulations.
Social Security Contributions and Benefits Act 1992 (c. 4)	In paragraph 3 of Schedule 2—
	(a) in sub-paragraph (2), the words “of the Act of 1988”, and
	(b) sub-paragraphs (2)(c) and (5)(a).
Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7)	In paragraph 3 of Schedule 2—
	(a) in sub-paragraph (2), the words “of the Act of 1988”, and
	(b) sub-paragraphs (2)(c) and (5)(a).
Taxation of Chargeable Gains Act 1992 (c. 12)	Section 6(4).
	In Schedule 5B, in paragraph 19(3), the “and” immediately before paragraph (c).
	In Schedule 10, paragraph 14(35) to (38) and (50).
Finance Act 1992 (c. 20)	Sections 9 and 10.
Finance (No.2) Act 1992 (c. 48)	Section 19(3).
	Sections 61 and 62.
	Section 64.
	In Schedule 5, paragraphs 5 to 7.

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	In Schedule 8, paragraphs 2 to 5. In Schedule 9, in paragraph 2(2), the words “and (6)(a)”.
Income Tax (Prescribed Deposit-takers) Order 1992 (S.I. 1992/3234)	The whole Order.
Finance Act 1993 (c. 34)	Sections 51 and 52. Section 59. Section 79(2)(b) and the “and” immediately before it. Section 80. Section 118. Section 183(2). Section 208(1). In Schedule 6, paragraphs 8, 9, 13 and 15. In Schedule 20A, paragraph 2(3) and (4).
Finance Act 1994 (c. 9)	Sections 75 and 76. Section 77(8) to (10). Section 78. Section 79(3) to (6). Section 123(1) and (6). Sections 209 and 210. Section 214(2) and (3)(a). Section 251(3). In Schedule 8, paragraphs 3(3), 10 and 11. In Schedule 9, paragraph 9. In Schedule 15, paragraph 20. In Schedule 17, paragraph 6. In Schedule 20, paragraph 11(7).
Finance Act 1995 (c. 4)	Sections 35 and 36. Section 40(1) and (2). Section 42(2)(a). Sections 70, 71 and 73. Section 79. Section 86. Section 87(5). Section 90. Sections 118 and 119. Section 128. In section 154— (a) in subsection (1), the words “Subject to subsection (1A),” and (b) subsection (1A). In Schedule 6, paragraphs 17 and 19. Schedules 14 and 15. In Schedule 17, paragraphs 13, 14 and 17.
Jobseekers Act 1995 (c. 18)	In Schedule 2, paragraph 15.
Deposit-takers (Interest Payments) (Discretionary or Accumulation Trusts) Regulations 1995 (S.I. 1995/1370)	The whole Regulations.

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Finance Act 1996 (c. 8)	<p>Section 72(1) and (2). Section 73(1) to (3) and (5). Sections 74 to 76. Section 137. Section 155. Section 158. Section 159(4) to (6). Section 161. Section 167(4). In section 171, subsections (3) and (4). In Schedule 6, paragraphs 1 to 3, 8, 12 to 15, 17, 20, 21, 24 and 25. In Schedule 7, paragraph 2. In Schedule 14, paragraphs 18, 33, 35 and 36. In Schedule 20, paragraphs 5, 25(2), 32(b) and 35. In Schedule 21, paragraph 10. Schedule 23. In Schedule 37, paragraphs 2(2)(b), (c) and (d), 3, 4, 8 and 9. In Schedule 38, paragraph 6(2)(e), (g) and (h) and (7) and, in paragraph 7, in sub-paragraph (2), paragraph (c) and the “and” immediately before it and, in sub-paragraph (4), the words “and (c)”. In Schedule 40, paragraphs 3 to 6.</p>
Transfer of Functions (Registration and Statistics) Order 1996 (S.I. 1996/273)	In Schedule 2, paragraph 22.
European Investment Bank (Designated International Organisation) Order 1996 (S.I. 1996/1179)	The whole Order.
Finance Act 1997 (c. 16)	<p>Section 54(1) to (4). Sections 55 and 57. Section 75. Section 78. Section 80(5) and (6). Section 81. In Schedule 7— (a) in paragraph 12(1), the words from “and after that subsection” to the end, and (b) paragraph 12(2). Schedule 9. In Schedule 10, paragraphs 5(3), 11 and 13(3).</p>
Finance (No. 2) Act 1997 (c. 58)	<p>Section 15(1). Section 16. Section 25(2), (3) and (4). Section 29. Sections 31 and 32. Section 33(1). In section 37—</p>

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	<ul style="list-style-type: none">(a) subsections (2) to (4),(b) subsection (7),(c) in subsection (8), the words “Subject to subsections (9) to (13) below,”, and(d) subsections (9) to (13). In Schedule 4, paragraphs 12, 15, 20 and 22.
Finance Act 1998 (c. 36)	Section 25. Section 70(3). Sections 72 and 73. Section 79(1). Section 80(2) to (4) and (5)(b). Section 100. Section 102(7). Section 118(10). In Schedule 3, paragraphs 32(2) and (4) and 40. In Schedule 5, paragraphs 26 and 27. In Schedule 7, in paragraph 1, the words “379A(1)(a),” to “(5) (in the first two places) and (7),”. In Schedule 12, paragraphs 3, 4 and 5(2) and (3).
Finance Act 1999 (c. 16)	Section 22. Sections 23, 24 and 25(2). Section 35. Section 36(1) to (6). Section 69. Section 91(1) to (3) and (5). In Schedule 4, paragraph 1(4).
Greater London Authority Act 1999 (c. 29)	In section 157(4)(a), the words “income tax and” and “and” at the end. In section 419(2)(a), the word “and” at the end.
Financial Services and Markets Act 2000 (c. 8)	In Schedule 20, paragraph 4(4).
Limited Liability Partnerships Act 2000 (c. 12)	Section 10(2).
Finance Act 2000 (c. 17)	Sections 31 and 32. Section 39(1) to (6). Section 41(3) and (4). In section 46— <ul style="list-style-type: none">(a) in subsection (1), paragraph (a) and the word “or” at the end of that paragraph,(b) in subsection (2), paragraph (a) and the word “or” at the end of that paragraph,(c) in subsection (2A), paragraph (c) and the word “and” at the end of that paragraph,(d) in subsection (6), the definition of “charity” and, in the definition of

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	<p>“income”, paragraph (a) and the word “or” at the end of that paragraph, and (e) in subsection (7), the words from “for the year” to “companies,”.</p> <p>In section 63(3), paragraph (b) and the “and” immediately before it.</p> <p>In section 65, the words from “and” to the end.</p> <p>Sections 83(2).</p> <p>Section 111(2) to (5) and (6)(b) and (c).</p> <p>Section 112.</p> <p>In Schedule 17, paragraph 15(3)(b).</p> <p>In Schedule 18, paragraph 1 and Part 2.</p> <p>In Schedule 26, paragraph 6.</p>
Child Support, Pensions and Social Security Act 2000 (c. 19)	In Schedule 3, paragraph 8(2).
Capital Allowances Act 2001 (c. 2)	<p>Section 4(5).</p> <p>Section 70YI(4).</p> <p>In section 220(8)(a), the words “, within the meaning of section 840 of ICTA”.</p> <p>In section 577(1), the definitions of “tax year” and “the tax year 2001-02”.</p> <p>In Part 2 of Schedule 1, in the entry for “UK property business”, in the second column, the words “section 832(1) of ICTA and”.</p> <p>In Schedule 2—</p> <p>(a) paragraphs 22, 27, 28, 29(1), 30, 31, 58 and 62, and</p> <p>(b) in paragraph 29(2), the words after “paragraph (b)”.</p>
Finance Act 2001 (c. 9)	<p>Sections 50 and 51.</p> <p>In section 64(2), the words “Part 1 makes amendments relating to venture capital trusts; and”.</p> <p>Section 85(1) and (3).</p> <p>In Schedule 15, paragraph 38.</p> <p>In Schedule 16, Part 1.</p> <p>In Schedule 24, paragraph 4.</p> <p>In Schedule 25, paragraphs 1(2), 3 and 9.</p> <p>In Schedule 29, paragraph 35(2).</p>
Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629)	Articles 39 and 136.
Finance Act 2002 (c. 23)	<p>Sections 26 to 29.</p> <p>Section 48.</p> <p>Section 94(1) to (4).</p> <p>Section 95.</p> <p>Section 96(1) and (2).</p> <p>Section 97(7) and (8).</p> <p>Section 98.</p> <p>Section 103(4)—</p>

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- (a) in paragraph (a), the words “and in Schedule 28B, paragraph 4(6B)”, and
 - (b) in paragraph (g), the words “and 437”.
- Section 108.
Section 109.
In Schedule 16—
- (a) paragraph 19,
 - (b) paragraph 20(1)(a),
 - (c) in paragraphs 21(2), 23(1)(b), 24(1) and (2), 28(1), 29(2) and (5), 30(1), 32(1), 38(2) and (3) and 42(1), the words “tax year or” wherever occurring,
 - (d) in paragraph 24(2)(b), the words “year or” in both places where they occur,
 - (e) in paragraph 25(1), the words “is a company and”
 - (f) in paragraph 26, in sub-paragraph (1), paragraph (a), in sub-paragraph (2), the words “income or” and, in paragraph (b)(i), the words “year or”, and in sub-paragraphs (3) and (4), the words “income tax or”,
 - (g) in paragraph 27, sub-paragraphs (2) and (3) and, in sub-paragraph (4), the words “Where the investor is a company,”,
 - (h) in paragraphs 31(8), 32(5), 38(3) and 47(1), the words “tax years or” wherever occurring,
 - (i) in paragraph 35(1)(d)(ii), the words “if the investor is a company”,
 - (j) paragraphs 40 and 41,
 - (k) in paragraph 42, in sub-paragraph (2), paragraph (a) and the “and” immediately after it and, in paragraph (b), the words “if the investor is a company,”
 - (l) in paragraph 47, in sub-paragraphs (3) and (4), the words “of capital gains tax or corporation tax on chargeable gains and”, and sub-paragraphs (5) and (6),
 - (m) in paragraph 48(2), the words “and for the purposes of capital gains tax or corporation tax on chargeable gains”, and
 - (n) in paragraph 51(1), the definition of “tax year”.
- In Schedule 17, paragraphs 3 and 4.
In Schedule 18, in paragraph 5(3)(b), the words from “as it applies” to the end.
In Schedule 25, paragraph 57.
In Schedule 26, paragraph 40.
In Schedule 30, paragraph 1(5).
Schedule 33.

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Debt Arrangement and Attachment (Scotland) Act 2002 (asp 17)	In Schedule 3, paragraph 19.
Income Tax (Prescribed Deposit-takers) Order 2002 (S.I. 2002/1968)	The whole Order.
Income and Corporation Taxes Act 1988, Section 349B(3) Order 2002 (S.I. 2002/2931)	The whole Order.
Income Tax (Earnings and Pensions) Act 2003 (c. 1)	<p>Section 1(2).</p> <p>In section 515—</p> <ul style="list-style-type: none"> (a) subsection (1)(b) and the “and” immediately after it, (b) the “and” immediately after subsection (2)(b), and (c) subsection (3). <p>In section 721—</p> <ul style="list-style-type: none"> (a) in subsection (1), the words after the definition of “non-cash voucher”, and (b) subsection (2). <p>In Part 2 of Schedule 1—</p> <ul style="list-style-type: none"> (a) in the entry for “child, children”, in the second column, the words “section 832(5) of ICTA, and see”, (b) the entry for “interest”, and (c) in the entry for “UK property business”, in the second column, the words “section 832(1) of ICTA and”. <p>In paragraph 49 of Schedule 3, the entries for “interest” and “United Kingdom”.</p> <p>In paragraph 37 of Schedule 4, the entry for “United Kingdom”.</p> <p>In Schedule 6, paragraphs 2, 45, 48, 50, 51, 100, 108, 166, 226 and 256.</p>
Finance Act 2003 (c. 14)	<p>Sections 131 and 132.</p> <p>Section 151.</p> <p>In section 152, paragraph (b) and the word “and” before it.</p> <p>In section 153(1)(a), the words “338B(2)(d) and (4)(b), 349B(2)(b) and (7)(b)(ii)”.</p> <p>Section 202.</p> <p>In Schedule 26, in paragraph 1(2), paragraph (b) and the word “and” before it.</p> <p>In Schedule 27, paragraph 6.</p> <p>In Schedule 35, paragraphs 1 and 5.</p> <p>In Schedule 38, paragraphs 4 and 15.</p> <p>In Schedule 39, paragraph 5(4).</p> <p>In Schedule 40, paragraph 1.</p>
Finance Act 2004 (c. 12)	<p>Sections 23 and 24.</p> <p>Section 29.</p> <p>In section 83, subsections (1) to (3) and (6).</p> <p>Section 91.</p> <p>Section 94(1) and (2).</p>

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	<p>Sections 101 and 102. Sections 119 to 130. In section 189(2), the “and” immediately after paragraph (b). Section 192(5). In section 279(1), the definition of “charity” and the words after the definition of “pension sharing order or provision”. In section 280(1), the “and” immediately before the definition of “ITTOIA 2005”. In Schedule 4, paragraph 2. In Schedule 12, paragraphs 10 and 11. In Schedule 17, paragraph 10(2). In Schedule 19, Parts 1 and 3. In Schedule 24, paragraphs 1, 2 and 3(2). In Schedule 27, paragraphs 4(6)(b) and 5. In Schedule 35, paragraphs 8, 13 to 17, 29, 30, 31, 32 and 37.</p>
Pensions Act 2004 (c. 35)	<p>In Schedule 3, in the entry relating to the Commissioners of Inland Revenue or their officers, in the second column, the “or” immediately after paragraph (f). In Schedule 8, in the entry relating to the Commissioners of Inland Revenue or their officers, in the second column, the “or” immediately after paragraph (e).</p>
Income Tax (Trading and Other Income) Act 2005 (c. 5)	<p>Section 1(2). In section 13(8), the definitions of “payment” and “transfer”. Section 51. Section 108(4)(c) and (d). In section 256— (a) in subsection (1)(b), the words “earned income within section 833(4)(c) of ICTA or”, and (b) in subsection (2), the words “earned income or”. In section 272(2), the entry in the table relating to section 51. Section 322(2)(b) and (c). In section 328, in the sidenote, the words “Earned income and”. In section 397(2), paragraph (b) and the “or” immediately before it. In section 426, the words after “recipient”. Section 457(3). In section 482(6), the definition of “tax advantage”. In section 618 the words after “recipient”. In section 628— (a) in subsection (2)(b), the words after “person”, and</p>

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(b) in subsection (6), the definition of “resident” and the “and” immediately after it.

Section 685A(4)(c) and the “and” immediately before it.

In section 686(1) the words after “recipient”.
Section 724(3).

Sections 876 and 877.

In section 878(1)—

- (a) the definition of “charity”, and
- (b) the words after the definition of “income”.

In section 879—

- (a) in subsection (1) the definitions of “assignment” and “surrender” and the “and” immediately before the definition of “surrender”, and

(b) subsection (2).

In Schedule 1, paragraphs 2 to 4, 25, 89(5) and (6), 98 to 102, 114, 115, 125, 144, 146(2), (3) and (5), 147 to 151, 153, 154, 156, 157, 159, 160, 163 to 168, 169(3), 170(a) and (b), 171(3), 181, 186, 187, 197, 198(2)(a), (b), (d) and (f) to (i), 242, 243(3), 249, 272(3), 277, 278, 281 to 283, 288, 293 to 299, 304 to 307, 311, 312(5), 313(2), 328, 329, 333, 334(3)(a) and (b), 337(b), (d) and (f), 338 to 340, 373(2) (d) and (e), 411, 415, 480, 481, 622, 635, 636 and 640 to 643.

In Schedule 2, paragraphs 50(3) and 84.

In Part 2 of Schedule 4—

- (a) the entry for “chargeable period”,
- (b) the entry for “child”,
- (c) in the entry for “control”, in the first column, the words “(in relation to a body corporate)”,
- (d) the entry for “interest”,
- (e) the entry for “investment trust”,
- (f) the entry for “lower rate”, and
- (g) the entry for “the rate applicable to trusts”.

Finance Act 2005 (c. 7)

Sections 8 and 9.

Section 14.

In section 41(1), in the definition of “tax year”, paragraph (a) and the “and” immediately after it.

Section 44(1).

In section 47A(3)—

- (a) in paragraph (b), the words “within the meaning of section 840 of ICTA”, and

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	(b) in paragraph (c), the words “, in each case within the meaning of section 840 of ICTA”.
	Chapter 7 of Part 2. In Schedule 2, paragraphs 3, 5 and 6.
Finance (No. 2) Act 2005 (c. 22)	Section 11. Section 38(3). In Schedule 4, paragraphs 1 and 2. In Schedule 7, paragraph 6.
Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1))	In Schedule 3, in the entry relating to the Commissioners of Inland Revenue or their officers, in the second column, the “or” immediately after paragraph (f). In Schedule 7, in the entry relating to the Commissioners of Inland Revenue or their officers, in the second column, the “or” immediately after paragraph (e).
Finance Act 2006 (c. 25)	Section 75. Section 90. In section 91(1), the words “venture capital trusts, and”. In section 107(7)(a), the words “(within the meaning given by section 839 of ICTA)”. Section 122. In section 139— (a) in subsection (2), in the new paragraph 2 of Schedule 23A to the Income and Corporation Taxes Act 1988, sub-paragraph (2B)(d) and sub-paragraphs (2C) to (2E), and (b) subsections (3) and (4). In Schedule 7, paragraphs 1 to 6. In Schedule 13, paragraphs 1 to 4, 11, 14 to 17, 19, 21, 22, 30(1)(b) and 37. In Schedule 14, paragraphs 2, 4, 7 and 8. In Schedule 17— (a) paragraph 19, (b) paragraph 30(b) and the “and” immediately before it, and (c) paragraph 32(8)(c).

Textual Amendments

F199 Words in Sch. 3 Pt. 1 omitted (retrospective with effect in accordance with art. 1(2) of the amending S.I.) by virtue of [The Income Tax Act 2007 \(Amendment\) \(No. 2\) Order 2009 \(S.I. 2009/2859\)](#), [art. 4\(7\)\(a\)](#)

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PART 2

REPEALS HAVING EFFECT IN RELATION TO SHARES ISSUED AFTER 5 APRIL 2007

<i>Reference</i>	<i>Extent of repeal or revocation</i>
Income and Corporation Taxes Act 1988 (c. 1)	In Part 7, Chapter 3 except section 305A.
Finance Act 1988 (c. 39)	Section 53.
Finance Act 1989 (c. 26)	Section 149(4)(b). Section 170(3).
Finance Act 1993 (c. 34)	Section 111.
Finance Act 1994 (c. 9)	Section 137(1) and (2). In Schedule 15, paragraphs 1 to 19 and 21 to 27.
Finance Act 1995 (c. 4)	Section 66.
Finance Act 1996 (c. 8)	In Schedule 20, paragraphs 22 and 23. In Schedule 21, paragraph 7.
Finance Act 1997 (c. 16)	Section 74. Schedule 8.
Finance Act 1998 (c. 36)	Section 70(1), (2) and (4). Section 71. Section 74(2)(a). In Schedule 7, in paragraph 1, the words “291A(3)(f)(ii) (twice)”. In Schedule 12, paragraphs 1, 2 and 5(1). In Schedule 13, Part 1.
Finance Act 1999 (c. 16)	Section 71.
Finance Act 2000 (c. 17)	In Schedule 16, paragraph 2. Schedule 17, except paragraphs 7, 8 and 15(3)(b).
Finance Act 2001 (c. 9)	In Schedule 15— (a) Part 1, (b) paragraph 39, (c) in paragraph 40(2), the words “2 to 8, 10 to 14, 24,” and “Chapter III of Part VII of the Taxes Act 1988 and”, and (d) in paragraph 40(3), the words “15 to 21,” and “section 300 of the Taxes Act 1988 or”.
Finance Act 2002 (c. 23)	In section 103(4)(a), the words “297(5B)”. In paragraph 4 of Schedule 9— (a) sub-paragraph (2)(a) and the “and” immediately after it, and (b) sub-paragraph (3). In Schedule 17, paragraph 2.

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Income Tax (Earnings and Pensions) Act 2003 (c. 1)	In Schedule 6, paragraphs 37 and 38.
Finance Act 2004 (c. 12)	In Schedule 18, Part 1. In Schedule 27, paragraph 4, except subparagraph (6)(b).
Income Tax (Trading and Other Income) Act 2005 (c. 5)	In Schedule 1, paragraphs 126 and 127.
Finance Act 2006 (c. 25)	In section 91(1), the words “the enterprise investment scheme”. In Schedule 14, paragraphs 1, 5 and 6.

SCHEDULE 4

Section 1032

INDEX OF DEFINED EXPRESSIONS

[^{F200} accountancy rental earnings (in Part 11A)	section 614AB(1)]
[^{F200} accountancy rental excess (in Chapter 2 of Part 11A)	section 614BH(1) to (4)]
[^{F200} accountancy rental excess (in Chapter 3 of Part 11A)	section 614BH(1) to (4), as it has effect as a result of section 614CD]
accounting period (in relation to a deposit-taker who is not a company) (in Chapter 15 of Part 15)	section 948(1)
[^{F201} accounts (in Chapter 5B of Part 13)	section 809BZQ]
accreditation period (in Part 7)	section 342(1)
accrued income losses (in Part 12)	section 615(4)
accrued income profits (in Part 12)	section 615(2)
accumulated or discretionary income (in Chapter 3 of Part 9)	section 480
[^{F202} acquisition value of a qualifying investment (in Chapter 3 of Part 8)	section 438A]
Act	section 1018
[^{F203} additional rate]	[^{F203} section 6(2) (as applied by section 989)]
adjusted net income (in Chapters 2 and 3 of Part 3)	section 58
[^{F204} alternative finance arrangements (in Part 10A)	section 564A(2)]
[^{F204} alternative finance return (in Part 10A) arrangements (in Part 5)	sections 564I to 564L] section 257(1)

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[^{F205} arrangements (in Part 5A)	section 257HJ(1)]
arrangements (in Chapter 2 of Part 9)	section 465(8)
[^{F201} arrangements (in Chapter 5B of Part 13)	section 809BZR]
[^{F206} arrangements (in Chapter 5E of Part 13)	section 809EZE(1)]
[^{F207} arrangements (in Chapter 8 of Part 13)	section 809ZR]
[^{F200} asset (in Part 11A)	section 614DG]
[^{F200} asset representing the leased asset (in Part 11A)	section 614DD]
assets (in Chapter 2 of Part 13)	section 717
assignment (in the application of this Act to Scotland)	section 1008(1)
associate (in Part 5)	section 253
[^{F205} associate (in Part 5A)	section 257HJ(1)]
associate (in Part 6)	section 253 (as applied by section 332)
associate (in Part 7)	section 381
[^{F208} associated (in Chapter 1 of Part 12A)	section 681AM]
[^{F208} associates (in Chapter 4 of Part 12A)	section 681DL]
associated operation (in Chapter 2 of Part 13)	section 719
attributable income (in Part 10)	section 540(3)
attributable gains (in Part 10)	section 540(3)
attributable income and gains (in Part 10)	section 540(3)
authorised unit trust	section 989
available income and gains (in Part 10)	section 562(4)
basic rate	section 6(2) (as applied by section 989)
basic rate limit	section [^{F209} 10] (as applied by section 989)
beneficial entitlement (in Chapter 1 of Part 14)	section 822
[^{F210} beneficial entitlement (in Chapter 2B of Part 14)	section 835O(4)]
the beneficiary (in Chapter 8 of Part 9)	section 499(1)(b)
the beneficiary's income (in Chapter 8 of Part 9)	section 499(2)
F211	F211
...	...
benefits associated with a gift (in Chapter 2 of Part 8)	section 417

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body (in Part 7)	section 382(1)
body of persons	section 989
bonus shares (in Chapter 6 of Part 4)	section 151(1)
bonus shares (in Part 5)	section 257(1)
[^{F205} bonus shares (in Part 5A)	section 257HJ(1)]
bonus shares (in Part 7)	section 382(1)
[^{F210} branch or agency (in Chapter 2B of Part 14)	section 835S(2)]
building society	section 989
F212	F212
...	...
F213	F213
...	...
F213	F213
...	...
F213	F213
...	...
capital (in Chapter 3 of Part 13)	section 772(1)
capital allowance	section 989
capital amount (in Chapter 4 of Part 13)	section 777(7)
capital gains relief (in Chapter 3 of Part 4)	section 103(2)
capital gains relief (in Chapter 5 of Part 13)	section 790(4)
[^{F208} capital sum (in Chapter 4 of Part 12A)	section 681DM]
the CDFI (in Part 7)	sections 334(2) and 370
certificate of deposit	section 1019
chargeable gain	section 989
chargeable period	section 989
charged amount (in Chapter 2 of Part 8)	section 427
charitable trade (in Part 10)	section 525
charitable trust	[^{F215} paragraph 1 of Schedule 6 to FA 2010]
F214	
...	
charity	[^{F216} paragraph 1 of Schedule 6 to FA 2010]
charity (in Chapter 2 of Part 8)	[^{F216} paragraph 1 of Schedule 6 to FA 2010] (and see also section 430)
charity (in Chapter 3 of Part 8)	[^{F216} paragraph 1 of Schedule 6 to FA 2010] (and see also section 446)

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[^{F207} charity (in Chapter 8 of Part 13)	paragraph 1 of Schedule 6 to FA 2010 (and see also section 809ZR)]
CITR (in Part 7)	section 333
civil partner (in Chapter 6 of Part 4)	section 151(1)
claim	section 1020
close company	section 989
[^{F217} close company (in Chapter 1 of Part 13)	section 713]
[^{F206} collective investment scheme (in Chapter 5E of Part 13)	section 809EZE(1)]
company (except in Part 6, Chapters 1, 3 and 4 of Part 13 and sections 993 and 994)	section 992
company (in Part 6)	section 332
company (in Chapter 1 of Part 13)	section 713
company (in Chapter 3 of Part 13)	section 772(3)
[^{F218} company (in Chapter 3A of Part 14)	section 837H(4)]
company (in Chapter 4 of Part 13)	section 789
company in administration (in Part 5)	section 252(2)
company in administration (in Part 6)	section 331(2)
company in receivership (in Part 5)	section 252(3)
company in receivership (in Part 6)	section 331(3)
[^{F219} company UK REIT (in Chapter 4 of Part 11)	section 606(2)]
F220	F220
...	...
F212	F212
...	...
compliance certificate (in Part 5)	section 204(1)
[^{F205} compliance certificate (in Part 5A)	section 257EC(1)]
compliance statement (in Part 5)	section 205(1)
[^{F205} compliance statement (in Part 5A)	section 257ED(1)]
connected (in relation to two persons being connected with one another)	section 993 as applied by section 1021(1) (but see exceptions and alternative provision in sections 166 to 171, 257(2) and 313(5) and (6))
control	section 995 as applied by section 1021(2) (but see exceptions and alternative provision in sections 69(7), 139(2), 257(3), [^{F221} 257HJ(3),] 313(4) and (6), 394(5), 395(6), 691(4) and 994(1))

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conversion (in Part 12)	section 620(7)
co-operative (in Chapter 1 of Part 8)	section 401(3)
corresponding bonus shares (in Chapter 6 of Part 4)	section 151(1)
counteraction notice (in Chapter 1 of Part 13)	section 698(3)
[^{F200} cumulative accountancy rental excess (in Chapter 2 of Part 11A)	section 614BH(5)]
[^{F200} cumulative accountancy rental excess (in Chapter 3 of Part 11A)	section 614BH(5), as it has effect as a result of section 614CD]
[^{F200} cumulative normal rental excess (in Chapter 2 of Part 11A)	section 614BJ(5)]
[^{F200} cumulative normal rental excess (in Chapter 3 of Part 11A)	section 614BJ(5), as it has effect as a result of section 614CD]
[^{F200} the current lessor (in Part 11A)	section 614DG]
the current tax year (in Chapter 8 of Part 9)	section 499
debenture (except in sections 559, 560 and 691)	section 1022
[^{F208} deduction by way of relevant income tax relief (in Chapter 1 of Part 12A)	section 681AC(1)]
[^{F208} deduction by way of relevant income tax relief (in Chapter 2 of Part 12A)	section 681BK]
[^{F208} deduction by way of relevant tax relief (in Chapter 4 of Part 12A)	section 681DP]
F222	F222
.
F223	F223
.
F224	F224
.
[^{F225} default additional rate	section 6C (as applied by section 989)]
[^{F225} default basic rate	section 6C (as applied by section 989)]
[^{F225} default higher rate	section 6C (as applied by section 989)]
deposit (in Chapter 2 of Part 15)	section 855(2)
deposit (in Chapter 19 of Part 15)	section 983
deposit-taker (in Chapter 2 of Part 15 [^{F226} and section 876])	section 853
[^{F218} deposit-taking trade (in Chapter 3A of Part 14	section 837B(3)]

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director (in Part 5)	section 257(1)
[^{F205} director (in Part 5A)	section 257HJ(1)]
director (in Part 6)	section 332
discretionary or accumulation settlement (in Chapter 2 of Part 15)	section 873(1)
[^{F206} disguised fee (in Chapter 5E of Part 13)	section 809EZA(3)]
disposal (in Part 7)	section 379
[^{F201} disposal of an asset (in Chapter 5B of Part 13)	section 809BZS(3)]
disposal of shares (in Part 5)	section 254
[^{F205} disposal of shares (in Part 5A)	section 257HH]
disposal-related liability (in Chapter 3 of Part 8)	section 440
disposal-related obligation (in Chapter 3 of Part 8)	section 439
disposing of land (in Chapter 3 of Part 13)	section 753
[^{F208} dispositions of interests in land outside the United Kingdom (in Chapter 1 of Part 12A)	section 681AN]
disregarded annual payments (in Chapter 1 of Part 14)	section 826
disregarded company income (in Chapter 1 of Part 14)	section 816
disregarded income (in Chapter 1 of Part 14)	section 813(1)
disregarded pension income (in Chapter 1 of Part 14)	section 813(3)
disregarded savings and investment income (in Chapter 1 of Part 14)	section 825
disregarded social security income (in Chapter 1 of Part 14)	section 813(5)
disregarded transaction income (in Chapter 1 of Part 14)	section 814
distribution ^{F227}	section 989
...	
^{F220}	^{F220}
...	...
^{F228}	^{F228}
...	...
dividends (in Chapter 1 of Part 13)	section 713

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[^{F229} dividend additional rate]	[^{F229} section 8(3) (as applied by section 989).]
dividend income	section 19
dividend ordinary rate	section 8(1) (as applied by section 989)
dividend trust rate	section 9(2) (as applied by section 989)
dividend upper rate	section 8(2) (as applied by section 989)
[^{F207} the donor (in Chapter 8 of Part 13)]	section 809ZJ(3)]
double taxation arrangements	section 1023
early tax year (in Chapter 3 of Part 4)	section 112(6)
EIS (in Part 5)	section 156(2)
[^{F230} EIS original rate (in Part 5)]	section 256A]
[^{F231} EIS rate (in Part 5)]	section 158(2A)]
EIS relief (in Chapter 6 of Part 4)	section 151(1)
EIS relief (in Part 5)	section 156(1)
[^{F205} EIS relief (in Part 5A)]	section 257HJ(1)]
election	section 1020
eligible for EIS relief (in Part 5)	section 157(1)
eligible shares (in Chapter 2 of Part 6)	section 273(1)
eligible shares (in Chapter 3 of Part 6)	section [^{F232} 285(3A) and (3B)]
the [^{F233} 70%] eligible shares condition (in Chapter 3 of Part 6)	section 274(2)
employment income	section 7 of ITEPA 2003
excluded company (in Chapter 6 of Part 4)	section 151(1)
[^{F206} external investor (in Chapter 5E of Part 13)]	section 809EZE(1)]
farming	section 996
[^{F200} finance lessor (in Part 11A)]	section 614DG]
financial instrument (in Part 15)	section 984
firm (in Chapter 2 of Part 4)	section 60(5)
firm (in Chapter 3 of Part 4)	section 103(3)
firm (in Chapter 5 of Part 13)	section 790(5)
the 5 year period (in Part 7)	section 338
[^{F200} for accounting purposes (in Part 11A)]	section 614DG]
F234	F234
...	...
F235	F235

Status: Point in time view as at 10/06/2021.

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...	...
F235	F235
...	...
F235	F235
...	...
generally accepted accounting practice	section 997(1) and (3)
gift aid declaration (in Chapter 2 of Part 8)	section 428
gilt-edged securities	section 1024
gross amount of a payment (in Chapter 4 of Part 8)	section 452
F212	F212
...	...
F220	F220
...	...
gross amount (in Chapter 9 of Part 15)	section 589 (as applied by section 926(1))
F236	F236
...	...
grossing up	section 998
grossed up amount (in Chapter 2 of Part 8)	section 415
gross-paying government securities (in Chapter 5 of Part 15)	section 893(2)
group (in Chapter 6 of Part 4 (except in sections 137 and 142))	section 151(1)
group (in Part 5)	section 257(1)
[^{F205} group (in Part 5A)	section 257HJ(1)]
group (in Part 6)	section 332
F212	F212
...)	...
F220	F220
...	...
group (in Chapter 9 of Part 15)	section 591(1) (as applied by section 926(1))
group company (in Part 5)	section 257(1)
[^{F205} group company (in Part 5A)	section 257HJ(1)]
group company (in Part 6)	section 332
[^{F219} group UK REIT (in Chapter 2 of Part 11)	section 591(1)]
F220	F220
...	...
[^{F219} group UK REIT (in Chapter 9 of Part 15)	section 591(1) (as applied by section 926(1))]

Status: Point in time view as at 10/06/2021.

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heritage body (in Chapter 10 of Part 9)	section 507(2)
heritage direction (in Chapter 10 of Part 9)	section 507(2)
heritage maintenance property (in Chapter 10 of Part 9)	section 507(2)
heritage maintenance settlement (in Chapter 10 of Part 9)	section 507(2)
higher rate	section 6(2) (as applied by section 989)
[^{F237} higher rate limit]	[^{F237} section 10 (as applied by section 989)]
holding company (in Chapter 6 of Part 4)	section 151(1)
the 15% holding limit condition (in Chapter 3 of Part 6)	section 274(2)
the income retention condition (in Chapter 3 of Part 6)	section 274(2)
income tax advantage (in Chapter 1 of Part 13)	section [^{F238} 687]
[^{F210} independent agent (in Chapter 2C of Part 14)	section 835Y]
the independent broker conditions (in Chapter 1 of Part 14)	section 817
[^{F210} the independent broker conditions (in Chapter 2B of Part 14)	section 835L]
the independent investment manager conditions (in Chapter 1 of Part 14)	section 818
[^{F210} the independent investment manager conditions (in Chapter 2B of Part 14)	section 835M]
individual (in Chapter 2 of Part 13)	section 714(4)
individual (in Chapter 6 of Part 15)	section 905
interest (in Part 12)	section 671
interest payment day (in Part 12)	section 672
interest period (in Part 12)	section 673
[^{F208} interests in land outside the United Kingdom (in Chapter 1 of Part 12A)	section 681AN]
the invested amount (in Part 7)	section 337
the investing company (in Chapter 4 of Part 6)	section 286(1)
investment (in Chapter 2 of Part 15 [^{F239} and section 876])	section 855(1)
[^{F206} investment (in investment scheme) (in Chapter 5E of Part 13)	section 809EZE(2)]

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the investment (in Part 7)	section 334(1)
investment company (in Chapter 6 of Part 4)	section 151(1)
the investment date (in Part 7)	section 338
[^{F206} investment management services (in Chapter 5E of Part 13)	section 809EZE(1)]
investment manager (in Chapter 1 of Part 14)	section 827(1)
[^{F210} investment manager (in Chapter 2B of Part 14)	section 835S(3)]
[^{F206} investment scheme (in Chapter 5E of Part 13)	section 809EZA(6)]
investments (in relation to a company) (in Chapter 3 of Part 6)	section 285(4)
investment transaction (in Chapter 1 of Part 14)	section 827(2)
[^{F210} investment transaction (in Chapter 2B of Part 14)	section 835S(4)]
[^{F206} investment trust (in Chapter 5E of Part 13)	section 809EZE(1)]
the investor (in Part 5)	section 157(1)
the investor (in Part 7)	sections 334(1) and 370
[^{F205} issue of shares (in Part 5A)	section 257HI]
the issuing company (in Part 5)	section 157(1)
[^{F208} lease (in Chapter 1 of Part 12A)	section 681AL(2)]
[^{F208} lease (in Chapter 2 of Part 12A)	section 681BM(2), (3)]
[^{F208} lease (in Chapter 3 of Part 12A)	section 681CF]
[^{F208} lease (in Chapter 4 of Part 12A)	section 681DN]
[^{F200} lease (in Part 11A)	section 614DG]
[^{F200} the leasing arrangements (in Part 11A)	section 614DG]
[^{F200} the lessee (in Part 11A)	section 614DG]
[^{F208} lessee (in Chapter 2 of Part 12A)	section 681BM(4)]
[^{F200} the lessor (in Part 11A)	section 614DG]
[^{F208} lessor (in Chapter 2 of Part 12A)	section 681BM(4)]
limited partner (in Chapter 3 of Part 4)	section [^{F240} 103A]
[^{F208} linked (in relation to a person) (in Chapter 2 of Part 12A)	section 681BL]
the listing condition (in Chapter 3 of Part 6)	section 274(2)

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living together (in relation to married couples and civil partners)	section 1011
local authority	section 999
local authority association	section 1000
[^{F200} major lump sum (in Part 11A)]	section 614BC(5)]
manufactured dividend (in Chapter 2 of Part 11)	section 573(1)(a)
F212	F212
...	...
F220	F220
...	...
manufactured dividend (in Chapter 9 of Part 15)	section 573(1)(a) (as applied by section 926(1))
F212	F212
...	...
manufactured interest (in Chapter 9 of Part 15)	section 578(1)(a) (as applied by section 926(1))
F212	F212
...	...
manufactured overseas dividend (in Chapter 9 of Part 15)	section 581(1)(a) (as applied by section 926(1))
market gardening	section 996
[^{F206} market value (in Chapter 5E of Part 13)]	section 809EZE(1)]
[^{F205} market value (in Part 5A)]	section 257HJ(6)]
market value (of an asset) (in Part 5)	section 257(6)
market value (of an asset) (in Part 7)	section 382(3)
market value of a qualifying investment (in Chapter 3 of Part 8)	section 438
modified net income	section 1025
the nature of income condition (in Chapter 3 of Part 6)	section 274(2)
net income	section 23 (see Step 2) (as applied by section 989)
[^{F205} new qualifying trade (in Part 5A)]	section 257HF]
nominal value of securities (in Part 12)	sections 676 and 677
non-active partner (in Chapter 3 of Part 4)	section [^{F241} 103B]
non-charitable expenditure (in Part 10)	section 543
non-UK resident (and references to a non-UK resident or a non-UK resident person)	section 989

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[^{F200} normal rent (in Part 11A)	section 614AA]
[^{F200} normal rental excess (in Chapter 2 of Part 11A)	section 614BJ(1) to (4)]
[^{F200} normal rental excess (in Chapter 3 of Part 11A)	section 614BJ(1) to (4), as it has effect as a result of section 614CD]
normal self-assessment filing date	section 989
notice	section 989
obligation (in Chapter 3 of Part 8)	section 439(7)
occupation (in Chapter 4 of Part 13)	section 774
offshore installation	sections 1001 and 1002
oil and gas exploration and appraisal	section 1003
ordinary share capital	section 989
ordinary shares (in Part 5)	section 257(1)
[^{F205} ordinary shares (in Part 5A)	section 257HJ(1)]
ordinary shares (in Part 6)	section 332
other income (in Part 9)	section 463
other person (in Chapter 3 of Part 13)	section 763
other person (in Chapter 4 of Part 13)	section 782
F212	F212
...	...
F212	F212
...	...
[^{F242} the overseas part]	[^{F242} section 989]
overseas property business	Chapter 2 of Part 3 of ITTOIA 2005 (as applied by section 989)
F212	F212
...	...
F212	F212
...	...
F212	F212
...	...
F212	F212
...	...
parent company (in Part 5)	section 257(1)
[^{F205} parent company (in Part 5A)	section 257HJ(1)]
parent company (in Part 6)	section 332
[^{F206} participant (in Chapter 5E of Part 13)	section 809EZE(1)]

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[^{F200} pay (in Part 11A)	section 614DG]
payment (in Chapter 7 of Part 9)	section 493(5)
[^{F201} payments in respect of an asset (in Chapter 5B of Part 13)	section 809BZS(4)]
[^{F205} period A, period B (in Part 5A)	section 257AC]
period A, period B, period C (in Part 5)	section 159(2), (3), (4)
period of account	section 989
[^{F200} period of account (in Part 11A)	section 614DB(1) to (3)]
[^{F243} permanent establishment (except in Part 5 and Chapter 4 of Part 6)	section 1007A
permanent establishment (in Part 5)	section 191A
[^{F205} permanent establishment (in Part 5A)	section 257HJ(1)]
permanent establishment (in Chapter 4 of Part 6)	section 302A]
person abroad (in Chapter 2 of Part 13)	section 718
[^{F201} person involved in a relevant change (in Chapter 5B of Part 13)	section 809BZG(5)]
[^{F201} person receiving an asset (in Chapter 5B of Part 13)	section 809BZS(2)]
personal representatives	section 989
[^{F200} post-25 November 1996 scheme (in Part 11A)	section 614D(1)(b)]
[^{F207} potentially advantaged person (in Chapter 8 of Part 13)	section 809ZJ(5)]
[^{F200} pre-26 November 1996 scheme (in Part 11A)	section 614D(1)(a)]
F212	F212
...	...
F212	F212
...	...
F220	F220
...	...
F212	F212
...	...
[^{F206} profits (on investment made for purposes of investment scheme) (in Chapter 5E of Part 13)	section 809EZE(1)]
profits or gains	section 989

Status: Point in time view as at 10/06/2021.

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property deriving its value from land (in Chapter 3 of Part 13)	section 772(2)
property investment LLP	section 1004
property maintenance purpose (in Chapter 10 of Part 9)	section 507(2)
F212	F212
...	...
F220	F220
...	...
F212	F212
...	...
qualifying annual payment (in Chapter 6 of Part 15)	section 899
qualifying business activity (in Part 5)	section 179
[^{F205} qualifying business activity (in Part 5A)]	section 257HG]
qualifying certificate of deposit (in Part 15)	section 985
qualifying company (in Part 5)	section 180
F244	F244
...	...
qualifying donation (in Chapter 2 of Part 8)	section 416
[^{F245} qualifying film expenditure (in Chapter 3 of Part 4)]	[^{F245} section 103D]
qualifying holding (in Chapter 3 of Part 6)	Chapter 4 of Part 6
the [^{F246} 80%] qualifying holdings condition (in Chapter 3 of Part 6)	section 274(2)
qualifying interest in land (in Chapter 3 of Part 8)	section 433
qualifying investor (in Part 5)	section 162
qualifying investment (in Part 7)	section 344
qualifying investment (in Chapter 3 of Part 8)	section 432
qualifying partnership (in Chapter 11 of Part 15)	section 932
qualifying period (in Chapter 1 of Part 14)	section 820
[^{F210} qualifying period (in Chapter 2B of Part 14)]	section 835O(2)]
qualifying shares (in Chapter 6 of Part 4)	section 131(2)
qualifying subsidiary (in Part 5)	section 191
[^{F205} qualifying subsidiary (in Part 5A)]	section 257HJ(1)]

Status: Point in time view as at 10/06/2021.

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qualifying subsidiary (in Chapter 4 of Part 6)	section 302
qualifying 90% subsidiary (in Part 5)	section 190
[^{F205} qualifying 90% subsidiary (in Part 5A)	section 257HJ(1)]
qualifying 90% subsidiary (in Chapter 4 of Part 6)	section 301
qualifying trade (in Part 5)	section 189(1)
qualifying trade (in Chapter 4 of Part 6)	section 300
qualifying uncertificated eligible debt security unit (in Part 15)	section 986
quoted Eurobond (in Part 15)	section 987
recognised stock exchange	section 1005
registered (in Chapter 5 of Part 15)	section 895(6)
F247	F247
...	...
F247	F247
...	...
registered pension scheme	section 150(2) of FA 2004 (as applied by section 989)
[^{F248} registered society (in Chapter 6 of Part 4)	section 151(1)]
[^{F248} registered society (in Chapter 3 of Part 15)	section 887(5)]
the Registrar (in Chapter 5 of Part 15)	section 895(6)
regulations (in Chapter 5 of Part 6)	section 325
F212	F212
...	...
[^{F200} related period of account (in Part 11A)	section 614DB(5)]
[^{F200} related tax year (in Part 11A)	section 614DB(4)]
[^{F208} relevant asset (in Chapter 3 of Part 12A)	section 681CG]
[^{F208} relevant asset (in Chapter 4 of Part 12A)	section 681DO]
[^{F201} relevant change in relation to a partnership (in Chapter 5B of Part 13)	section 809BZG]
the relevant company (in Chapter 4 of Part 6)	section 286(1)
[^{F208} relevant deduction from earnings (in Chapter 1 of Part 12A)	section 681AC(2)]
relevant disregarded income (in Chapter 1 of Part 14)	section 821

Status: Point in time view as at 10/06/2021.

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[^{F210} relevant disregarded income (in Chapter 2B of Part 14)	section 835O(3)]
relevant foreign income	section 989
the relevant holding (in Chapter 4 of Part 6)	section 286(1)
F249	F249
.
the relevant shares (in Part 5)	section 157(1)
relevant transaction (in Chapter 2 of Part 13)	section 715
relevant transfer (in Chapter 2 of Part 13)	section 716(1)
F212	F212
.
[^{F207} relievable charity donation (in Chapter 8 of Part 13)	section 809ZI(1)]
[^{F200} rent (in Part 11A)	section 614DG]
[^{F208} rent (in Chapter 1 of Part 12A)	section 681AL(3), (4)]
[^{F208} rent (in Chapter 2 of Part 12A)	section 681BM(5)]
[^{F200} the rental earnings (in Part 11A)	section 614AC]
[^{F206} repayment of, and return on, investment in certain investment schemes (in Chapter 5E of Part 13)	section 809EZE(4)]
F212	F212
.
F220	F220
.
[^{F205} research and development (in Part 5A)	section 257HJ(1)]
retail prices index	section 989
F212	F212
.
F250	F250
.
F251	F251
.
[^{F252} savings additional rate	section 7A (as applied by section 989)]
[^{F253} savings allowance	section 12B]
[^{F254} savings basic rate	section 7A (as applied by section 989)]
[^{F254} savings higher rate	section 7A (as applied by section 989)]
savings income	section 18

Status: Point in time view as at 10/06/2021.

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[^{F253} savings nil rate	section 7]
F255	F255
.
scheme administrator	section 989
[^{F256} Scottish basic rate]	[^{F256} section [^{F257} 989]]
F255	F255
.
[^{F258} Scottish intermediate rate	section 989]
[^{F259} Scottish rate	section 989]
[^{F260} Scottish rate resolution	section 989]
[^{F256} Scottish taxpayer]	[^{F256} section 989]
section 946 payment (in Chapter 15 of Part 15)	section 945(1)
securities (in relation to a company) (in Chapters 3 to 6 of Part 6, but see sections 317(4) and 328(2))	section 285(2)
securities (in Part 12)	section 619
securities (in Chapter 1 of Part 13)	section 713
securities of the same kind (in Part 12)	section 619(6)
[^{F205} SEIS (in Part 5A)	section 257A(2)]
settled property	section 466 (as applied by section 989)
settlor	sections 467 to 473 (as applied by section 989)
share (in Chapter 3 of Part 13)	section 772(3)
share (in Chapter 4 of Part 13)	section 789
shares (in Chapter 6 of Part 4)	section 151(1)
shares (in Part 6)	section 332
share loss relief (in Chapter 6 of Part 4)	section 131(1)
[^{F261} shares, stock or other securities included in the official UK list]	[^{F261} section 1005]
[^{F261} shares, stock or other securities listed on a recognised stock exchange]	[^{F261} section 1005]
sideways relief (in Chapter 2 of Part 4)	section 60(4)
sideways relief (in Chapter 3 of Part 4)	section 103(1)
sideways relief (in Chapter 5 of Part 13)	section 790(3)
single company (in Part 5)	section 257(1)
[^{F205} single company (in Part 5A)	section 257HJ(1)]

Status: Point in time view as at 10/06/2021.

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single company (in Part 6)	section 332
the 6 year period (in Chapter 6 of Part 7)	section 359(3)
[^{F242} split year]	[^{F242} section 989]
spouse (in Chapter 6 of Part 4)	section 151(1)
[^{F262} starting rate for savings	section 7
starting rate limit for savings	section 12]
F212	F212
.
subsidiary (in Chapter 1 of Part 8)	section 401(3)
51% subsidiary	section 989
75% subsidiary	section 989
the successor company (in Chapter 5 of Part 6)	section 323(3)
[^{F206} sum (in Chapter 5E of Part 13)	section 809EZB(3)]
[^{F200} sum (in Part 11A)	section 614DG]
[^{F208} sum obtained in respect of an interest in an asset (in Chapter 4 of Part 12A)	section 681DG]
[^{F208} sum obtained in respect of the lessee's interest in a lease of an asset (in Chapter 4 of Part 12A)	section 681DH]
surrender (in the application of this Act to Scotland)	section 1008
[^{F207} tainted donation (in Chapter 8 of Part 13)	section 809ZJ]
F244	F244
.
tax enactments (in Chapter 5 of Part 6)	section 325
tax relief certificate (in Part 7)	section 348(1)
tax year	section 4(2) (as applied by section 989)
the tax year 2007-08 etc	section 4(4) (as applied by section 989)
the termination date (in relation to shares) (in Part 5)	section 256
total income	sections 23 (see Step 1) and 31 (as applied by section 989)
trade (except in Parts 5 and 6)	section 989
trade (in Part 5)	section 989 (but see sections 189(2) and 232(7))
trade (in Part 6)	section 989 (but see sections 300(4) and 313(3))

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F212	F212
...	...
trade carried on through a branch or agency (in Chapter 9 of Part 15)	section 926(2)
trading company (in Chapter 6 of Part 4)	section 151(1)
trading group (in Chapter 6 of Part 4)	section 151(1)
trading stock (in Chapter 1 of Part 13)	section 713
transaction income (in Chapter 1 of Part 14)	section 814(5)
transaction in securities (in Chapter 1 of Part 13)	section [F263]684(2)]
F212	F212
...	...
transfer (of securities) (in Part 12)	section 620
transfer (in Chapter 2 of Part 13)	section 716(2)
[F264]transfer (in Chapter 5A of Part 13)]	[F264]Section 809AZF(3)]
transfer with accrued interest (in Part 12)	section 623
transfer with unrealised interest (in Part 12)	section 625
transfer without accrued interest (in Part 12)	section 624
transferee (in Part 12)	section 621
transferor (in Part 12)	section 621
[F265]transfer taking place (in Chapter 5A of Part 13)]	[F265]Section 809AZF(3)]
trust rate	section 9(1) (as applied by section 989)
the trustees of a settlement (in Part 9)	section 463
[F201]type 1 finance arrangement (in Chapter 5B of Part 13)	section 809BZA]
[F201]type 2 finance arrangement (in Chapter 5B of Part 13)	section 809BZF]
[F201]type 3 finance arrangement (in Chapter 5B of Part 13)	section 809BZJ]
UK generally accepted accounting practice	section 997(2)
UK property business	
Chapter 2 of Part 3 of ITTOIA 2005 (as applied by section 989)	
UK public revenue dividend (in Chapter 5 of Part 15)	section 891
UK resident (and references to a UK resident or a UK resident person)	section 989
F212	F212

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...	...
F212	F212
...	...
[^{F242} the UK part]	[^{F242} section 989]
umbrella scheme	section 989
unauthorised unit trust	section 989
unit holder	section 989
unit trust scheme	section 1007
United Kingdom	section 1013
unrealised interest (in Part 12)	section 625
the value of the net benefit to a charity (in Chapter 3 of Part 8)	section 437
variable rate securities (in Part 12)	section 627
VCT	section 259(1) (as applied by section 989)
VCT approval (in Part 6)	section 259(2)
VCT-in-liquidation (in Chapter 5 of Part 6)	section 320
VCT relief (in Part 6)	section 258
venture capital trust	section 259(1) (as applied by section 989)
[^{F266} Welsh additional rate]	section 6B (as applied by section 989)]
[^{F266} Welsh basic rate]	section 6B (as applied by section 989)]
[^{F266} Welsh higher rate]	section 6B (as applied by section 989)]
[^{F266} Welsh taxpayer]	section 989]
[^{F218} winding up receipt (in Chapter 3A of Part 14)]	section 837C(3)]
woodlands	section 996
the year of the loss (in Chapter 6 of Part 4)	section 131(1)

Textual Amendments

- F200** Words in Sch. 4 inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 8 para. 239](#) (with Sch. 9 paras. 1-9, 22)
- F201** Words in Sch. 4 inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 8 para. 275](#) (with Sch. 9 paras. 1-9, 22)
- F202** Words in Sch. 4 inserted (8.4.2010 with effect in accordance with Sch. 7 para. 9 of the amending Act) by [Finance Act 2010 \(c. 13\), Sch. 7 para. 4](#)
- F203** Words in Sch. 4 inserted (with effect in accordance with Sch. 2 para. 25 of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 2 para. 9\(2\)](#)

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- F204** Words in Sch. 4 inserted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 8 para. 223** (with Sch. 9 paras. 1-9, 22)
- F205** Sch. 4 entries inserted (17.7.2012) (with effect in accordance with Sch. 6 para. 24(1) of the amending Act) by Finance Act 2012 (c. 14), **Sch. 6 para. 18(2)**
- F206** Words in Sch. 4 inserted (with effect in accordance with s. 21(4) of the amending Act) by Finance Act 2015 (c. 11), **s. 21(3)**
- F207** Words in Sch. 4 inserted (19.7.2011) (with effect in accordance with Sch. 3 para. 27 of the amending Act) by Finance Act 2011 (c. 11), **Sch. 3 para. 15**
- F208** Words in Sch. 4 inserted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 8 para. 261** (with Sch. 9 paras. 1-9, 22)
- F209** Word in Sch. 4 substituted (with effect in accordance with Sch. 2 para. 25 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 2 para. 9(3)**
- F210** Words in Sch. 4 inserted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 8 para. 286** (with Sch. 9 paras. 1-9, 22)
- F211** Words in Sch. 4 omitted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by virtue of Finance Act 2016 (c. 24), **Sch. 6 para. 24(a)**
- F212** Words in Sch. 4 omitted (1.1.2014) by virtue of Finance Act 2013 (c. 29), Sch. 1 para. 52, **Sch. 29 para. 32**
- F213** Words in Sch. 4 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 572(a)(i), **Sch. 3 Pt. 1** (with Sch. 2)
- F214** Words in Sch. 4 omitted (8.3.2012) (with effect in accordance with art. 17 of the commencing S.I.) by virtue of Finance Act 2010 (c. 13), **Sch. 6 paras. 23(7)(a)(i), 34(2)**; S.I. 2012/736, art. 17
- F215** Words in Sch. 4 substituted (8.3.2012) (with effect in accordance with art. 17 of the commencing S.I.) by Finance Act 2010 (c. 13), **Sch. 6 paras. 23(7)(a)(ii), 34(2)**; S.I. 2012/736, art. 17
- F216** Words in Sch. 4 substituted (8.3.2012) (with effect in accordance with art. 17 of the commencing S.I.) by Finance Act 2010 (c. 13), **Sch. 6 paras. 23(7)(b), 34(2)**; S.I. 2012/736, art. 17
- F217** Words in Sch. 4 inserted (8.4.2010 with effect in accordance with Sch. 12 para. 15(1) of the amending Act) by Finance Act 2010 (c. 13), **Sch. 12 para. 12(2)**
- F218** Words in Sch. 4 inserted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 7 para. 72** (with Sch. 9 paras. 1-9, 22)
- F219** Words in Sch. 4 inserted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 572(b)** (with Sch. 2)
- F220** Words in Sch. 4 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of Finance Act 2013 (c. 29), **Sch. 12 para. 15(5)(a)**
- F221** Words in Sch. 4 inserted (17.7.2012) (with effect in accordance with Sch. 6 para. 24(1) of the amending Act) by Finance Act 2012 (c. 14), **Sch. 6 para. 18(3)**
- F222** Words in Sch. 4 omitted (6.4.2014) by virtue of The Unauthorised Unit Trusts (Tax) Regulations 2013 (S.I. 2013/2819), regs. 1(3), **37(20)(a)** (with reg. 32)
- F223** Words in Sch. 4 omitted (6.4.2014) by virtue of The Unauthorised Unit Trusts (Tax) Regulations 2013 (S.I. 2013/2819), regs. 1(3), **37(20)(b)** (with reg. 32)
- F224** Words in Sch. 4 omitted (6.4.2014) by virtue of The Unauthorised Unit Trusts (Tax) Regulations 2013 (S.I. 2013/2819), regs. 1(3), **37(20)(c)** (with reg. 32)
- F225** Words in Sch. 4 inserted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by Finance Act 2016 (c. 24), **s. 6(22)(24)**; S.I. 2016/1161, **regs. 2, 3**
- F226** Words in Sch. 4 inserted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by Finance Act 2016 (c. 24), **Sch. 6 para. 24(b)**
- F227** Words in Sch. 4 omitted (with effect in accordance with Sch. 12 para. 18(1) of the amending Act) by virtue of Finance Act 2013 (c. 29), **Sch. 12 para. 15(5)(b)**
- F228** Words in Sch. 4 omitted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by virtue of Finance Act 2016 (c. 24), **Sch. 6 para. 24(c)**

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- F229** Words in Sch. 4 inserted (with effect in accordance with Sch. 2 para. 25 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 2 para. 9\(4\)](#)
- F230** Words in Sch. 4 inserted (13.10.2011) (with effect in accordance with s. 42(7)(8) of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [s. 42\(5\)\(6\)](#); S.I. 2011/2459, art. 2
- F231** Words in Sch. 4 inserted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 36\(2\)](#)
- F232** Words in Sch. 4 substituted (6.4.2011) (with effect in accordance with Sch. 2 paras. 6, 8 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 2 para. 4\(2\)](#); S.I. 2011/662, art. 2
- F233** Word in Sch. 4 substituted (6.4.2011) (with effect in accordance with Sch. 2 paras. 6, 8 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 2 para. 4\(3\)](#); S.I. 2011/662, art. 2
- F234** Words in Sch. 4 omitted (6.4.2014) by virtue of [The Unauthorised Unit Trusts \(Tax\) Regulations 2013 \(S.I. 2013/2819\)](#), [regs. 1\(3\)](#), [37\(20\)\(d\)](#) (with [reg. 32](#))
- F235** Words in Sch. 4 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 572\(a\)\(ii\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F236** Words in Sch. 4 omitted (6.4.2014) by virtue of [The Unauthorised Unit Trusts \(Tax\) Regulations 2013 \(S.I. 2013/2819\)](#), [regs. 1\(3\)](#), [37\(20\)\(e\)](#) (with [reg. 32](#))
- F237** Words in Sch. 4 inserted (with effect in accordance with [Sch. 2 para. 25](#) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 2 para. 9\(5\)](#)
- F238** Word in Sch. 4 substituted (8.4.2010 with effect in accordance with Sch. 12 para. 15(1) of the amending Act) by [Finance Act 2010 \(c. 13\)](#), [Sch. 12 para. 12\(3\)](#)
- F239** Words in Sch. 4 inserted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [Sch. 6 para. 24\(d\)](#)
- F240** Word in Sch. 4 substituted (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 4 paras. 20\(a\)](#), 21
- F241** Word in Sch. 4 substituted (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 4 paras. 20\(b\)](#), 21
- F242** Words in Sch. 4 inserted (with effect in accordance with Sch. 45 para. 153(2) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 45 para. 108](#)
- F243** Words in Sch. 4 substituted (6.4.2011) (with effect in accordance with Sch. 2 paras. 7(3), 8 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 2 para. 4\(4\)](#); S.I. 2011/662, art. 2
- F244** Words in Sch. 4 omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), [Sch. 1 para. 63\(19\)](#)
- F245** Words in Sch. 4 inserted (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 4 paras. 20\(c\)](#), 21
- F246** Word in Sch. 4 substituted (6.4.2019) by [Finance Act 2018 \(c. 3\)](#), [Sch. 5 paras. 3\(f\)](#), 13; S.I. 2018/931, [reg. 4\(a\)](#)
- F247** Words in Sch. 4 omitted (1.8.2014) by virtue of [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. 154, [Sch. 4 para. 112\(2\)](#) (with [Sch. 5](#))
- F248** Words in Sch. 4 inserted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014 \(c. 14\)](#), s. 154, [Sch. 4 para. 112\(3\)](#) (with [Sch. 5](#))
- F249** Words in Sch. 4 omitted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), [Sch. 6 para. 24\(e\)](#)
- F250** Sch. 4 entry omitted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 36\(4\)](#)
- F251** Sch. 4 entry repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 721](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F252** Words in Sch. 4 inserted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by [Finance Act 2016 \(c. 24\)](#), [s. 6\(22\)\(24\)](#); S.I. 2016/1161, [regs. 2, 3](#)
- F253** Words in Sch. 4 inserted (with effect for the tax year 2016-17 and subsequent years) by [Finance Act 2016 \(c. 24\)](#), [s. 4\(12\)\(17\)](#)
- F254** Words in Sch. 4 inserted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by [Finance Act 2016 \(c. 24\)](#), [s. 6\(22\)\(24\)](#); S.I. 2016/1161, [regs. 2, 3](#)
- F255** Words in Sch. 4 omitted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by [Scotland Act 2016 \(c. 11\)](#), [ss. 13\(14\)](#), [14\(14\)\(a\)\(15\)](#), [72\(3\)](#); S.I. 2016/1161, [regs. 2, 3](#)
- F256** Words in Sch. 4 inserted (with effect in accordance with Sch. 38 para. 12 of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 38 para. 11](#)

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- F257** Word in Sch. 4 substituted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by [Scotland Act 2016 \(c. 11\)](#), **ss. 13(14)**, 14(14)(b)(15), 72(3); S.I. 2016/1161, **regs. 2, 3**
- F258** Words in Sch. 4 inserted (6.4.2018) by virtue of [The Scottish Rates of Income Tax \(Consequential Amendments\) Order 2018 \(S.I. 2018/459\)](#), arts. 1(2), **6(9)**
- F259** Words in Sch. 4 inserted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by [Scotland Act 2016 \(c. 11\)](#), **ss. 13(14)**, 14(14)(c)(15), 72(3); S.I. 2016/1161, **regs. 2, 3**
- F260** Words in Sch. 4 inserted (30.11.2016 with effect in relation to tax year 2017-18 and subsequent tax years) by [Scotland Act 2016 \(c. 11\)](#), **ss. 13(14)**, 14(14)(d)(15), 72(3); S.I. 2016/1161, **regs. 2, 3**
- F261** Words in Sch. 4 inserted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), **Sch. 26 para. 12(15)**
- F262** Words in Sch. 4 substituted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 1 para. 36(3)**
- F263** Word in Sch. 4 substituted (8.4.2010 with effect in accordance with Sch. 12 para. 15(1) of the amending Act) by [Finance Act 2010 \(c. 13\)](#), **Sch. 12 para. 12(4)**
- F264** Words in Sch. 4 inserted (with effect in accordance with Sch. 25 para. 10 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), **Sch. 25 para. 9(6)(7)**
- F265** Words in Sch. 4 inserted (with effect in accordance with Sch. 25 para. 10 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), **Sch. 25 para. 9(6)(8)**
- F266** Words in Sch. 4 inserted (24.7.2018) by [Wales Act 2014 \(c. 29\)](#), **ss. 9(11)**, 14, 29(4); S.I. 2018/892, art. 3 (with arts. 5, 6, 8)

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