



Finance Act 2009

2009 CHAPTER 10

PART 1

CHARGES, RATES, ALLOWANCES, ETC

Income tax

1 Charge and main rates for 2009-10

- (1) Income tax is charged for the tax year 2009-10.
- (2) For that tax year—
 - (a) the basic rate is 20%, and
 - (b) the higher rate is 40%.

2 Basic rate limit for 2009-10

- (1) For the tax year 2009-10 the amount specified in section 10(5) of ITA 2007 (basic rate limit) is replaced with “£37,400”.
- (2) Accordingly, section 21 of that Act (indexation of limits), so far as relating to the basic rate limit, does not apply for that tax year.

3 Personal allowance for 2009-10 for those aged under 65

- (1) For the tax year 2009-10 the amount specified in—
 - (a) section 35 of ITA 2007, ^{F1}...
 - ^{F1}(b)
(personal allowance for those aged under 65) is replaced with “£6,475”.
- (2) Accordingly—
 - (a) section 57 of ITA 2007, so far as relating to the amount specified in section 35 of that Act, ^{F2}...

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F²(b)
(indexation) do not apply for the tax year 2009-10.

Textual Amendments

- F1** S. 3(1)(b) omitted (with effect in accordance with Sch. 1 para. 7 of the commencing Act) by virtue of Finance Act 2009 (c. 10), Sch. 1 para. 6(q)
- F2** S. 3(2)(b) omitted (with effect in accordance with Sch. 1 para. 7 of the commencing Act) by virtue of Finance Act 2009 (c. 10), Sch. 1 para. 6(q)

4 Reduction of personal allowance for those with income exceeding £100,000

- (1) In section 35 of ITA 2007 (personal allowances for those aged under 65), the existing provision becomes subsection (1) of that section; and after that subsection insert—
- “(2) For an individual whose adjusted net income exceeds £100,000, the allowance under subsection (1) is reduced by one-half of the excess.
- (3) If the amount of any allowance that remains after the operation of subsection (2) would otherwise not be a multiple of £1, it is to be rounded up to the nearest amount which is a multiple of £1.
- (4) For the meaning of “adjusted net income” see section 58.”
- (2) In sections 36(2)(b) and 37(2)(b) of ITA 2007 (limit on reduction of personal allowances for those aged 65 to 74 or 75 and over), for “the amount of a personal allowance under section 35” substitute “ the amount of any allowance to which the individual would be entitled under section 35 if under the age of 65 throughout the tax year ”.
- (3) In section 57(1)(a) and (3)(a) of ITA 2007 (indexation of allowances), for “35” substitute “ 35(1) ”.
- (4) The amendments made by subsections (1) and (2) have effect for the tax year 2010-11 and subsequent tax years.
- (5) The amendment made by subsection (3) has effect for finding allowances for the tax year 2011-12 and subsequent tax years.

5 Abolition of personal reliefs for non-residents

Schedule 1 contains provision abolishing personal reliefs for non-residents.

6 Additional rate, dividend additional rate, trust rates and pension tax rates

- (1) Section 6 of ITA 2007 (rates of income tax) is amended as follows.
- (2) In subsection (1), omit the “and” at the end of paragraph (b) and insert at the end “, and (d) the additional rate.”
- (3) In subsection (3)(b), for “and dividend upper rate” substitute “ , dividend upper rate and dividend additional rate ”.
- (4) In section 9 (trust rate and dividend trust rate)—

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- (a) in subsection (1), for “40%” substitute “ 50% ”, and
 - (b) in subsection (2), for “32.5%” substitute “ 42.5% ”.
- (5) Schedule 2 contains provision supplementing this section (including provision about rates under Part 4 of FA 2004).
- (6) The amendments made by this section have effect for the tax year 2010-11 and subsequent tax years.

Corporation tax

7 Charge and main rates for financial year 2010

- (1) Corporation tax is charged for the financial year 2010.
- (2) For that year the rate of corporation tax is—
- (a) 28% on profits of companies other than ring fence profits, and
 - (b) 30% on ring fence profits of companies.
- (3) In subsection (2) “ring fence profits” has the [^{F3}meaning given by section 276 of CTA 2010].

Textual Amendments

- F3** Words in s. 7(3) 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. 707** (with Sch. 2)

8 Small companies' rates and fractions for financial year 2009

- (1) For the financial year 2009 the small companies' rate is—
- (a) 21% on profits of companies other than ring fence profits, and
 - (b) 19% on ring fence profits of companies.
- (2) For the financial year 2009 the fraction mentioned in section 13(2) of ICTA is—
- (a) 7/400ths in relation to profits of companies other than ring fence profits (“the standard fraction”), and
 - (b) 11/400ths in relation to ring fence profits of companies (“the ring fence fraction”).
- (3) See section 7(3) of FA 2008 for provision applying section 3(3) to (7) of FA 2007 in relation to profits for an accounting period any part of which falls in the financial year 2009.
- (4) In this section “ring fence profits” has the [^{F4}meaning given by section 276 of CTA 2010].

Textual Amendments

- F4** Words in s. 8(4) 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. 708** (with Sch. 2)

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Value added tax

9 Extension of reduced standard rate and anti-avoidance provision

- (1) The Value Added Tax (Change of Rate) Order 2008 (S.I. 2008/3020) (reducing standard rate of value added tax to 15 per cent) is to cease to be in force on 1 January 2010 (rather than ceasing to be in force on 1 December 2009 in accordance with section 2(2) of VATA 1994).
- (2) Schedule 3 contains—
 - (a) provision for a supplementary charge to value added tax on supplies spanning the date of the VAT change (see Parts 1 to 5), and
 - (b) minor amendments of provisions about orders changing the standard rate of value added tax (see Part 6).

Stamp duty land tax

10 Thresholds for residential property

- (1) Part 4 of FA 2003 (stamp duty land tax) has effect in relation to transactions with an effective date on or after 22 April 2009 but before 1 January 2010 as if—
 - (a) in section 55(2) (amount of tax chargeable: general), in Table A (bands and percentages for residential property), for “£125,000” (in both places) there were substituted “ £175,000 ”, and
 - (b) in paragraph 2(3) of Schedule 5 (amount of tax chargeable: rent), in Table A (bands and percentages for residential property), for “£125,000” (in both places) there were substituted “ £175,000 ”.
- (2) The following are revoked—
 - (a) the Stamp Duty Land Tax (Variation of Part 4 of the Finance Act 2003) Regulations 2008 (S.I. 2008/2338), and
 - (b) the Stamp Duty Land Tax (Exemption of Certain Acquisitions of Residential Property) Regulations 2008 (S.I. 2008/2339).
- (3) The revocations made by subsection (2) have effect in relation to transactions with an effective date on or after 22 April 2009.

Alcohol and tobacco duties

11 Rates of alcoholic liquor duty

- (1) ALDA 1979 is amended as follows.
- (2) In section 5 (rate of duty on spirits), for “£21.35” substitute “ £22.64 ”.
- (3) In section 36(1AA)(a) (standard rate of duty on beer), for “£14.96” substitute “ £16.47 ”.
- (4) In section 62(1A) (rates of duty on cider)—
 - (a) in paragraph (a) (rate of duty per hectolitre in the case of sparkling cider of a strength exceeding 5.5 per cent), for “£188.10” substitute “ £207.20 ”,

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- (b) in paragraph (b) (rate of duty per hectolitre in the case of cider of a strength exceeding 7.5 per cent which is not sparkling cider), for “£43.37” substitute “£47.77”, and
 - (c) in paragraph (c) (rate of duty per hectolitre in any other case), for “£28.90” substitute “£31.83”.
- (5) For the table in Schedule 1 substitute—

“TABLE OF RATES OF DUTY ON WINE AND MADE-WINE

PART 1

WINE OR MADE-WINE OF A STRENGTH NOT EXCEEDING 22 PER CENT

<i>Description of wine or made-wine</i>	<i>Rates of duty per hectolitre</i>
	£
Wine or made-wine of a strength not exceeding 4 per cent	65.94
Wine or made-wine of a strength exceeding 4 per cent but not exceeding 5.5 per cent	90.68
Wine or made-wine of a strength exceeding 5.5 per cent but not exceeding 15 per cent and not being sparkling	214.02
Sparkling wine or sparkling made-wine of a strength exceeding 5.5 per cent but less than 8.5 per cent	207.20
Sparkling wine or sparkling made-wine of a strength of 8.5 per cent or of a strength exceeding 8.5 per cent but not exceeding 15 per cent	274.13
Wine or made-wine of a strength exceeding 15 per cent but not exceeding 22 per cent	285.33

PART 2

WINE OR MADE-WINE OF A STRENGTH EXCEEDING 22 PER CENT

<i>Description of wine or made-wine</i>	<i>Rates of duty per litre of alcohol in wine or made-wine</i>
	£
Wine or made-wine of a strength exceeding 22 per cent	22.64.”

- (6) The following are revoked—

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- (a) the Alcoholic Liquor Duties (Surcharges) and Tobacco Products Duty Order 2008 (S.I. 2008/3026), so far as relating to excise duty on alcoholic liquors, and
 - (b) the Alcoholic Liquor (Surcharge on Spirits Duty) Order 2008 (S.I. 2008/3062).
- (7) The amendments made by this section are treated as having come into force on 23 April 2009.

12 Rates of tobacco products duty

- (1) For the table in Schedule 1 to TPDA 1979 substitute—

“TABLE

1. Cigarettes	An amount equal to 24 per cent of the retail price plus £114.31 per thousand cigarettes
2. Cigars	£173.13 per kilogram
3. Hand-rolling tobacco	£124.45 per kilogram
4. Other smoking tobacco and chewing tobacco	£76.12 per kilogram.”

- (2) The Alcoholic Liquor Duties (Surcharges) and Tobacco Products Duty Order 2008 (S.I. 2008/3026), so far as relating to excise duty on tobacco products, is revoked.
- (3) The amendments made by this section are treated as having come into force at 6 pm on 22 April 2009.

Vehicle excise duty

13 Rates for 2009-10

- (1) Schedule 1 to VERA 1994 (annual rates of duty) is amended as follows.
- (2) In paragraph 1 (general)—
- (a) in sub-paragraph (2) (vehicle not covered elsewhere in Schedule otherwise than with engine cylinder capacity not exceeding 1,549cc), for “£185” substitute “ £190 ”, and
 - (b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for “£120” substitute “ £125 ”.
- (3) In paragraph 1B (graduated rates for light passenger vehicles), for the table substitute—

“TABLE

<i>CO₂ emissions figure</i>		<i>Rate</i>	
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>Reduced rate</i>	<i>Standard rate</i>

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g/km	g/km	£	£
100	120	15	35
120	140	100	120
140	150	105	125
150	165	130	150
165	185	155	175
185	225	200	215
225		390	405

The table has effect in relation to vehicles first registered under this Act before 23 March 2006 as if—

- (a) in column (3), in the last row, “200” were substituted for “ 390 ”, and
- (b) in column (4), in the last row, “215” were substituted for “ 405 ”.

(4) In paragraph 1J (light goods vehicles)—

- (a) in sub-paragraph (a) (vehicle which is not lower-emission van), for “£180” substitute “ £185 ”, and
- (b) in sub-paragraph (b) (lower-emission van), for “£120” substitute “ £125 ”.

(5) The amendments made by this section have effect in relation to licences taken out on or after 1 May 2009.

14 Rates from April 2010

- (1) Schedule 1 to VERA 1994 (annual rates of duty) is amended as follows.
- (2) In paragraph 1(2) (vehicle not covered elsewhere in Schedule otherwise than with engine cylinder capacity not exceeding 1,549cc), for “£190” substitute “ £205 ”.
- (3) Paragraph 1B (graduated rates for light passenger vehicles) is amended as follows.
- (4) For “table” substitute “ tables ”.
- (5) Omit the “and” at the end of paragraph (a).
- (6) Insert at the end of paragraph (b) “and
 - (c) whether or not the duty is payable on the first vehicle licence for the vehicle.”
- (7) For the table substitute—

“TABLE 1

RATES PAYABLE ON FIRST VEHICLE LICENCE FOR VEHICLE

CO₂ emissions figure		Rate	
(1)	(2)	(3)	(4)
Exceeding	Not exceeding	Reduced rate	Standard rate

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g/km	g/km	£	£
130	140	100	110
140	150	115	125
150	165	145	155
165	175	240	250
175	185	290	300
185	200	415	425
200	225	540	550
225	255	740	750
255		940	950

TABLE 2

RATES PAYABLE ON ANY OTHER VEHICLE LICENCE FOR VEHICLE

CO₂ emissions figure		Rate	
(1)	(2)	(3)	(4)
Exceeding	Not exceeding	Reduced rate	Standard rate
g/km	g/km	£	£
100	110	10	20
110	120	20	30
120	130	80	90
130	140	100	110
140	150	115	125
150	165	145	155
165	175	170	180
175	185	190	200
185	200	225	235
200	225	235	245
225	255	415	425
255		425	435

Table 2 has effect in relation to vehicles first registered, under this Act or under the law of a country or territory outside the United Kingdom, before 23 March 2006 as if—

- (a) in column (3), in the last two rows, “235” were substituted for “ 415 ” and “425”, and
- (b) in column (4), in the last two rows, “245” were substituted for “ 425 ” and “435”.

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- (8) In paragraph 1J(a) (light goods vehicle which is not lower-emission van), for “£185” substitute “ £200 ”.
- (9) Schedule 4 contains further provision about rates of vehicle excise duty etc.
- (10) The amendments made by this section have effect in relation to licences taken out on or after 1 April 2010.

Fuel duties

15 Rates and rebates from Spring 2009

- (1) HODA 1979 is amended as follows.
- (2) In section 6(1A) (main rates)—
 - (a) in paragraph (a) (unleaded petrol), for “£0.5235” substitute “ £0.5419 ”,
 - (b) in paragraph (aa) (aviation gasoline), for “£0.3103” substitute “ £0.3334 ”,
 - (c) in paragraph (b) (light oil other than unleaded petrol or aviation gasoline), for “£0.6207” substitute “ £0.6391 ”, and
 - (d) in paragraph (c) (heavy oil), for “£0.5235” substitute “ £0.5419 ”.
- (3) In section 6AA(3) (rate of duty on biodiesel), for “£0.3235” substitute “ £0.3419 ”.
- (4) In section 6AD(3) (rate of duty on bioethanol), for “£0.3235” substitute “ £0.3419 ”.
- (5) In section 8(3) (road fuel gas)—
 - (a) in paragraph (a) (natural road fuel gas), for “£0.1660” substitute “ £0.1926 ”, and
 - (b) in paragraph (b) (other road fuel gas), for “£0.2077” substitute “ £0.2482 ”.
- (6) In section 11(1) (rebate on heavy oil)—
 - (a) in paragraph (a) (fuel oil), for “£0.0966” substitute “ £0.1 ”, and
 - (b) in paragraph (b) (gas oil), for “£0.1007” substitute “ £0.1042 ”.
- (7) In section 14(1) (rebate on light oil for use as furnace fuel), for “£0.0966” substitute “ £0.1 ”.
- (8) In section 14A(2) (rebate on certain biodiesel), for “£0.1007” substitute “ £0.1042 ”.
- (9) The amendments made by subsection (2)(b) and (c) are treated as having come into force on 1 May 2009.
- (10) The other amendments made by this section are treated as having come into force on 1 April 2009.

16 Rates and rebates from September 2009

- (1) HODA 1979 is amended as follows.
- (2) In section 6(1A) (main rates)—
 - (a) in paragraph (a) (unleaded petrol), for “£0.5419” substitute “ £0.5619 ”,
 - (b) in paragraph (aa) (aviation gasoline), for “£0.3334” substitute “ £0.3457 ”,

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- (c) in paragraph (b) (light oil other than unleaded petrol or aviation gasoline), for “£0.6391” substitute “ £0.6591 ”, and
 - (d) in paragraph (c) (heavy oil), for “£0.5419” substitute “ £0.5619 ”.
- (3) In section 6AA(3) (rate of duty on biodiesel), for “£0.3419” substitute “ £0.3619 ”.
- (4) In section 6AD(3) (rate of duty on bioethanol), for “£0.3419” substitute “ £0.3619 ”.
- (5) In section 8(3) (road fuel gas)—
- (a) in paragraph (a) (natural road fuel gas), for “£0.1926” substitute “ £0.2216 ”, and
 - (b) in paragraph (b) (other road fuel gas), for “£0.2482” substitute “ £0.2767 ”.
- (6) In section 11(1) (rebate on heavy oil)—
- (a) in paragraph (a) (fuel oil), for “£0.1” substitute “ £0.1037 ”, and
 - (b) in paragraph (b) (gas oil), for “£0.1042” substitute “ £0.1080 ”.
- (7) In section 14(1) (rebate on light oil for use as furnace fuel), for “£0.1” substitute “ £0.1037 ”.
- (8) In section 14A(2) (rebate on certain biodiesel), for “£0.1042” substitute “ £0.1080 ”.
- (9) The amendments made by this section come into force on 1 September 2009.

Other environmental taxes and duties

17 Rates of air passenger duty

- (1) In section 30 of FA 1994 (air passenger duty: rates), for subsections (1) to (4) substitute—
- “(1) Air passenger duty is chargeable on the carriage of each chargeable passenger at the rate determined as follows.
 - (2) If the passenger's journey ends at a place in the United Kingdom or a territory specified in Part 1 of Schedule 5A—
 - (a) if the passenger's agreement for carriage provides for standard class travel in relation to every flight on the passenger's journey, the rate is £11, and
 - (b) in any other case, the rate is £22.
 - (3) If the passenger's journey ends at a place in a territory specified in Part 2 of Schedule 5A—
 - (a) if the passenger's agreement for carriage provides for standard class travel in relation to every flight on the passenger's journey, the rate is £45, and
 - (b) in any other case, the rate is £90.
 - (4) If the passenger's journey ends at a place in a territory specified in Part 3 of Schedule 5A—
 - (a) if the passenger's agreement for carriage provides for standard class travel in relation to every flight on the passenger's journey, the rate is £50, and
 - (b) in any other case, the rate is £100.

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(4A) If the passenger's journey ends at any other place—

- (a) if the passenger's agreement for carriage provides for standard class travel in relation to every flight on the passenger's journey, the rate is £55, and
- (b) in any other case, the rate is £110.”

(2) Schedule 5 contains further provision about air passenger duty.

(3) The amendment made by subsection (1) has effect in relation to the carriage of passengers beginning on or after 1 November 2009.

18 Standard rate of landfill tax

(1) In section 42(1)(a) and (2) of FA 1996 (amount of landfill tax), for “£40” substitute “£48”.

(2) The amendments made by subsection (1) have effect in relation to disposals made (or treated as made) on or after 1 April 2010.

Gambling duties

19 Rates of gaming duty

(1) In section 11(2) of FA 1997 (rates of gaming duty), for the table substitute—

“TABLE

<i>Part of gross gaming yield</i>	<i>Rate</i>
The first £1,929,000	15 per cent
The next £1,329,500	20 per cent
The next £2,329,000	30 per cent
The next £4,915,500	40 per cent
The remainder	50 per cent.”

(2) The amendment made by subsection (1) has effect in relation to accounting periods beginning on or after 1 April 2009.

20 Bingo duty

(1) BGDA 1981 is amended as follows.

(2) In section 17(1)(b) (bingo duty chargeable at 15 per cent of bingo promotion profits), for “15” substitute “22”.

(3) In paragraph 5(2)(c) of Schedule 3 (maximum prize for small-scale amusements exemption), for “£50” substitute “£70”.

(4) The amendment made by subsection (2) has effect in relation to accounting periods beginning on or after 27 April 2009.

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- (5) The amendment made by subsection (3) has effect in relation to bingo played on or after 1 June 2009.

21 Amounts of duty on amusement machine licences

- (1) In section 23(2) of BGDA 1981 (amount of duty payable on amusement machine licence), for the table substitute—

“TABLE

<i>Months for which licence granted</i>	<i>Category A</i>	<i>Category B1</i>	<i>Category B2</i>	<i>Category B3</i>	<i>Category B4</i>	<i>Category C</i>
	£	£	£	£	£	£
1	500	255	200	200	180	80
2	985	490	385	385	350	45
3	1475	735	585	585	530	220
4	1965	985	775	775	705	290
5	2465	1230	970	970	875	365
6	2955	1475	1160	1160	1050	435
7	3445	1720	1355	1355	1225	505
8	3935	1965	1550	1550	1405	580
9	4430	2215	1745	1745	1580	655
10	4920	2465	1935	1935	1755	725
11	5410	2710	2130	2130	1930	795
12	5625	2815	2215	2215	2010	830.”

- (2) The amendment made by subsection (1) has effect in relation to cases where the application for the amusement machine licence is received by the Commissioners for Her Majesty's Revenue and Customs after 4 pm on 22 April 2009.

22 Provisions affecting amount of amusement machine licence duty

- (1) BGDA 1981 is amended as follows.
- (2) Section 21 (gaming machine licences) is amended as follows.
- (3) Subsection (5) (excepted machines) is amended as follows.
- (4) In paragraph (c) (machines in case of which cost of single game does not exceed 10p and maximum value of prize for winning single game does not exceed £5)—
- in sub-paragraph (i), omit the “and” at the end,
 - in sub-paragraph (ii), for “£5” substitute “ £15 ”, and
 - after that sub-paragraph insert—

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“(iii) the maximum cash component of the prize for winning a single game does not exceed £8.”

(5) After that paragraph insert—

“(ca) a gaming machine in respect of which—

- (i) the cost of a single game does not exceed £1,
- (ii) the maximum value of the prize for winning a single game does not exceed £50, and
- (iii) any prize that can be won is neither money nor something that can be exchanged for or used in place of money or that can be exchanged for something other than money, and”.

(6) After that subsection insert—

“(6) To the extent that a prize consists of anything other than money, its value for the purposes of this section and sections 22 and 23 below is—

- (a) in the case of a voucher or token that may be exchanged for, or used in place of, an amount of money, that amount,
- (b) in the case of a voucher or token that does not fall within paragraph (a) and that may be exchanged for something other than money, the cost that the person providing the machine would incur in obtaining that thing from a person who is not a connected person, and
- (c) in any other case, the cost that the person providing the machine would incur in obtaining the prize from a person who is not a connected person.

(7) Section 839 of the Income and Corporation Taxes Act 1988 (connected persons) applies for the purposes of subsection (6).”

(7) In section 22(2) (machine in respect of which benefits for winning single game do not exceed £8 to be “small-prize machine”), for “£8” substitute “£10”.

(8) Section 23 (amount of duty) is amended as follows.

(9) In subsection (3) (categories of machines), in the definition of Category C gaming machine, in paragraph (ii)—

- (a) for “50p” substitute “£1”, and
- (b) for “£35” substitute “£70”.

(10) Omit subsection (5) (which is superseded by the amendment made by subsection (6)).

(11) In consequence of the amendments made by the preceding provisions of this section, omit—

- (a) in FA 2000, in Schedule 2, paragraph 3(1)(b), and
- (b) in FA 2007, section 9(2) and (4).

(12) The amendments made by this section are treated as having come into force on 1 June 2009.

Status: Point in time view as at 06/12/2022.

Changes to legislation: Finance Act 2009 is up to date with all changes known to be in force on or before 01 July 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

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Support for business

23 Temporary extension of loss carry back provisions

Schedule 6 contains provision for a temporary extension of provisions allowing the carrying back of losses.

24 First-year capital allowances for expenditure in 2009-2010

- (1) Part 2 of CAA 2001 (plant and machinery allowances) has effect as if—
- (a) in section 39 (first-year qualifying expenditure), a reference to this section were included in the list of provisions describing first-year qualifying expenditure, and
 - (b) in the Table in section 52(3) (amount of first-year allowances), there were inserted at the end—

“Expenditure qualifying under section 24 of FA 2009 (expenditure in 2009-2010)	40%”.
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- (2) Expenditure is first-year qualifying expenditure under this section if—
- (a) it is incurred in 2009-2010,
 - (b) it is not within any of the general exclusions in section 46(2) of CAA 2001 (subject to subsection (4)),
 - (c) it is not special rate expenditure (as defined by section 104A of CAA 2001), and
 - (d) it is not first-year qualifying expenditure under a provision of Chapter 4 of Part 2 of CAA 2001.
- (3) For the purposes of this section expenditure is incurred in 2009-2010—
- (a) in the case of expenditure incurred by a person within the charge to corporation tax, if it is incurred on or after 1 April 2009 but before 1 April 2010, and
 - (b) in the case of expenditure incurred by a person within the charge to income tax, if it is incurred on or after 6 April 2009 but before 6 April 2010.
- (4) General exclusion 6 in section 46(2) of CAA 2001 (expenditure on provision of plant or machinery for leasing) does not prevent expenditure being first-year qualifying expenditure under this section if the plant or machinery is provided for leasing under an excluded lease of background plant or machinery for a building (as defined by section 70R of that Act).
- (5) Expressions used in this section and in Part 2 of CAA 2001 have the same meaning here as in that Part of that Act, subject to subsection (6).
- (6) In determining whether expenditure is incurred in 2009-2010, any effect of section 12 of CAA 2001 (expenditure incurred before qualifying activity carried on) on the time at which it is to be treated as incurred is to be disregarded.

Status: Point in time view as at 06/12/2022.

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25 Agreements to forgo tax reliefs

- (1) If—
- (a) a person (“P”) makes arrangements under which P agrees (in whatever terms) to forgo (to any extent) tax relief or a right to tax relief (whenever arising), and
 - (b) the Treasury designates the arrangements for the purposes of this section,
- all relevant enactments are to have effect with such modifications as are necessary or expedient to give effect to the agreement.
- (2) The Treasury may not designate arrangements for the purposes of this section unless—
- (a) the arrangements have been made with the Treasury, another government department or another public body, and
 - (b) under the arrangements, or under other arrangements, the Treasury, another government department or another public body—
 - (i) guarantees or assumes a loss or other liability of P or another person,
 - (ii) insures or indemnifies P or another person against a loss or other liability,
 - (iii) agrees to make a payment to P or another person in respect of a loss or other liability of any person (whether or not the person to whom the payment is to be made), or
 - (iv) gives other financial support or assistance to P or another person (whether in money or otherwise).
- (3) If P forgoes (to any extent) tax relief or a right to tax relief under subsection (1)—
- (a) no tax relief is to be given to P or any other person by virtue of what is forgone or anything resulting from or representing what is forgone, and
 - (b) all relevant enactments are to have effect with such modifications as are necessary or expedient to give effect to paragraph (a).
- (4) In this section—
- “relevant enactments” means—
 - (a) the Corporation Tax Acts, and
 - (b) the enactments relating to petroleum revenue tax;
 - “tax relief” means—
 - (a) a reduction (by any means) of P's liability to any tax, or
 - (b) a payable tax credit.
- (5) This section has effect in relation to arrangements made on or after 22 April 2009; but that does not prevent subsections (1) and (3) from having effect in relation to times before 22 April 2009.

26 Contaminated and derelict land

Schedule 7 contains provision extending Part 14 of CTA 2009 (remediation of contaminated land) to derelict land and other provision amending that Part of that Act.

27 Venture capital schemes

Schedule 8 contains provision about venture capital schemes.

Status: Point in time view as at 06/12/2022.

Changes to legislation: Finance Act 2009 is up to date with all changes known to be in force on or before 01 July 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)

F⁵28 Group relief: preference shares

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Textual Amendments

- F5** S. 28 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](#))

F⁶29 Sale of lessor companies etc: reforms

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Textual Amendments

- F6** S. 29 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](#))

30 Tax relief for business expenditure on cars and motor cycles

Schedule 11 contains provision about tax relief for business expenditure on cars and motor cycles.

31 Reallocation of chargeable gain or loss within a group

Schedule 12 contains provision about the reallocation of chargeable gains and allowable losses between companies that are members of a group.

32 Stock lending: chargeable gains in event of insolvency etc of borrower

Schedule 13 contains provision amending TCGA 1992 in respect of stock lending arrangements in the event of the insolvency of the borrower.

33 FSCS payments representing interest

- (1) Chapter 2 of Part 4 of ITTOIA 2005 (interest) is amended as follows.
- (2) In section 369(2) (list of provisions extending what is treated as interest for certain purposes), after “bonds),” insert— “ section 380A (FSCS payments representing interest), ”.
- (3) After section 380 insert—

“380A FSCS payments representing interest

- (1) Any payment representing interest which is made under the FSCS is treated as interest for the purposes of this Act.
- (2) “Payment representing interest” means a payment calculated in the same way as interest which would have been paid to the recipient but for the circumstances giving rise to the making of payments under the FSCS.

Status: Point in time view as at 06/12/2022.

Changes to legislation: Finance Act 2009 is up to date with all changes known to be in force on or before 01 July 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)

- (3) Where a payment representing interest is made net of an amount equal to a sum representing income tax that would have been deducted on the payment of interest, the amount treated as interest by this section is the aggregate of the payment representing interest and that sum.
 - (4) This section applies to payments made under the FSCS whether or not they are made (in whole or in part) on behalf of the Treasury or any other person.
 - (5) In this section “the FSCS” means the Financial Services Compensation Scheme (established under Part 15 of the Financial Services and Markets Act 2000).”
- (4) In ITA 2007, after section 979 insert—

“979A FSCS payments representing interest

- (1) This section applies where a payment is made under the FSCS representing interest net of an amount equal to a sum representing income tax that would have been deducted on the payment of interest but for the circumstances giving rise to the making of payments under the FSCS.
 - (2) A payment of the relevant gross amount is treated as having been made under the FSCS after there has been deducted from it a sum representing income tax of that amount.
 - (3) That sum is accordingly taken into account under section 59B of TMA 1970 in determining the income tax payable by, or repayable to, the recipient.
 - (4) “The relevant gross amount” means the aggregate of the amount of the payment representing interest which is made and that sum.
 - (5) If the recipient requests it in writing, the scheme manager of the FSCS must provide the recipient with a statement showing—
 - (a) the relevant gross amount,
 - (b) the amount of the sum treated as deducted, and
 - (c) the amount of the payment representing interest.
 - (6) The duty to comply with a request under subsection (5) is enforceable by the recipient.
 - (7) In this section—

“the FSCS” means the Financial Services Compensation Scheme (established under Part 15 of the Financial Services and Markets Act 2000);

“payment representing interest” has the same meaning as in section 380A of ITTOIA 2005.”
- (5) The amendments made by this section have effect in relation to payments made on or after 6 October 2008.

Status: Point in time view as at 06/12/2022.

Changes to legislation: Finance Act 2009 is up to date with all changes known to be in force on or before 01 July 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)

Foreign profits etc

34 Corporation tax treatment of company distributions received

Schedule 14 contains provision about the treatment for the purposes of corporation tax of dividends and other distributions.

^{F7}35 Tax treatment of financing costs and income

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Textual Amendments

- F7** S. 35 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. 8 para. 159, **10 Pt. 4** (with Sch. 9 paras. 1-9, 22)

36 Controlled foreign companies

Schedule 16 contains provision about controlled foreign companies.

37 International movement of capital

Schedule 17 contains provision—

- (a) removing the existing requirements in relation to the international movement of capital in sections 765 to 767 of ICTA, and
- (b) imposing new reporting requirements on certain bodies corporate in relation to the international movement of capital.

^{F8}38 Corporation tax: foreign currency accounting

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Textual Amendments

- F8** S. 38 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. 709, **3 Pt. 1** (with Sch. 2)

39 Certain distributions of offshore funds taxed as interest

- (1) Chapter 2 of Part 4 of ITTOIA 2005 (interest) is amended as follows.
- (2) In section 369(2) (list of provisions extending what is treated as interest for certain purposes), after the entry relating to section 376 insert— “ section 378A (offshore fund distributions), ”.
- (3) After section 378 insert—

Status: Point in time view as at 06/12/2022.

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“378A Offshore fund distributions

- (1) This section applies where—
 - (a) a dividend is paid by an offshore fund, and
 - (b) the offshore fund fails to meet the qualifying investments test at any time in the relevant period.
- (2) The dividend is treated as interest for income tax purposes.
- (3) For the purposes of this section, an offshore fund fails to meet the qualifying investments test if the market value of the fund's qualifying investments exceeds 60% of the market value of all of the assets of the fund (excluding cash awaiting investment).
- (4) “The relevant period” means—
 - (a) the relevant period of account of the offshore fund, or
 - (b) if longer, the period of 12 months ending on the last day of that period.
- (5) “The relevant period of account” means—
 - (a) the last period of account ending before the dividend is paid, in a case in which the profits available for distribution at the end of that period (and not used since then by distribution or otherwise) equal or exceed the amount of the dividend (aggregated with any other distribution made by the offshore fund at the same time), and
 - (b) the period of account in which the dividend is paid, in any other case.
- (6) This section applies to a manufactured overseas dividend if, and only if, it is representative of a distribution to which this section would apply.
- (7) In this section—
 - “dividend” includes any distribution that (but for this section) would be treated as a dividend for income tax purposes;
 - “manufactured overseas dividend” has the same meaning as in Chapter 2 of Part 11 of ITA 2007 (manufactured payments);
 - “offshore fund” has the same meaning as in Chapter 5 of Part 17 of ICTA (see sections 756A to 756C of that Act);
 - “qualifying investments” has the meaning given in section 494 of CTA 2009.”
- (4) Accordingly, in section 367 of ITTOIA 2005 (priority between Chapters within Part 4), in subsection (3)—
 - (a) in paragraph (a), after “dividends” insert “, 378A (offshore fund distributions)”, and
 - (b) in paragraph (b), insert at the end “or Chapter 4 (or both)”.
- (5) The amendments made by this section have effect in relation to—
 - (a) distributions arising on or after 22 April 2009, and
 - (b) manufactured overseas dividends that are representative of a distribution arising on or after that date.

Status: Point in time view as at 06/12/2022.

Changes to legislation: Finance Act 2009 is up to date with all changes known to be in force on or before 01 July 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)

40 Income tax credits for foreign distributions

Schedule 19 contains provision about income tax credits for foreign distributions.

Loan relationships and derivatives

41 Loan relationships involving connected parties

Schedule 20 contains provision about loan relationships involving connected parties.

42 Release of trade etc debts

- (1) CTA 2009 is amended as follows.
- (2) In section 353 (introduction to Chapter 6 of Part 5)—
 - (a) omit subsection (3), and
 - (b) in subsection (6), after “loss” insert “ and release debit ”.
- (3) In section 476(1) (definitions for purposes of Parts 5 and 6), after the definition of “profit sharing arrangements” insert—

““release debit”, in relation to a company, means a debit in respect of a release by the company of a liability under a creditor relationship of the company,”.
- (4) Section 479 (relevant non-lending relationships not involving discounts) is amended as follows.
- (5) In subsection (2)—
 - (a) omit the “and” at the end of paragraph (b),
 - (b) in paragraph (c), after “loss” insert “ or release debit ”, and
 - (c) insert at the end “, and
 - (d) a debt in relation to which a relevant deduction has been allowed to the company and which is released.”
- (6) In subsection (3), for “(2)” substitute “ (2)(c) ”.
- (7) After that subsection insert—

“(3A) In subsection (2)(d) “relevant deduction” means a deduction allowed in calculating the profits of a trade, UK property business or overseas property business.”
- (8) Section 481 (application of Part 5 to relevant non-lending relationships) is amended as follows
- (9) In subsection (3)—
 - (a) in paragraph (d), after “loss” insert “ or release debit ” and for “impairment, and” substitute “ impairment or release, ”, and
 - (b) insert at the end “and
 - (f) in the case of a debt in relation to which a relevant deduction has been allowed to the company and which is released, the release.”

Status: Point in time view as at 06/12/2022.

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- (10) In subsection (4), for “(3)” substitute “ (3)(d) and (e) ”.
- (11) After that subsection insert—
 - “(4A) In subsection (3)(f) “relevant deduction” has the meaning given in section 479(3A).”
- (12) The amendments made by this section are treated as having come into force on 22 April 2009.

43 Foreign exchange matching: anti-avoidance

Schedule 21 contains anti-avoidance provisions relating to exchange gains and losses arising from loan relationships and derivative contracts.

Collective investment

44 Tax treatment of participants in offshore funds

In Schedule 22—

^{F9}
...

Part 2 contains provision about the treatment of participants in certain offshore funds under TCGA 1992.

Textual Amendments

- F9** Words in s. 44 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. 5](#) (with Sch. 9 paras. 1-9, 22)

45 Power to enable dividends of investment trusts to be taxed as interest

- (1) The Treasury may by regulations make provision for and in connection with—
 - (a) the designation by a company that is an investment trust or a prospective investment trust of dividends made by the company, and
 - (b) the treatment of a designated dividend for the purposes of the Tax Acts, in specified circumstances and in the case of specified persons—
 - (i) as a payment of yearly interest, or
 - (ii) as interest under a loan relationship.
- (2) Regulations under this section may, in particular, make provision—
 - (a) about the circumstances in which a dividend may, or may not, be designated,
 - (b) about limits on the amounts that may be designated or treated as a payment of yearly interest or as interest under a loan relationship,
 - ^{F10}(c)
 - (d) about the preparation of accounts and the keeping of records by investment trusts and prospective investment trusts, and
 - (e) about the provision by investment trusts and prospective investment trusts of information, whether to recipients of designated dividends or to other persons, including provision imposing a penalty not exceeding £3,000.

Status: Point in time view as at 06/12/2022.

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- (3) Regulations under this section may, in particular—
- (a) make provision applying enactments and instruments (with or without modification),
 - (b) make different provision for different cases or different purposes, and
 - (c) make incidental, consequential, supplementary or transitional provision.
- (4) Regulations under this section are to be made by statutory instrument.
- (5) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of the House of Commons.
- (6) In this section—
- “company” has the same meaning as in [F11]Chapter 4 of Part 24 of CTA 2010 (see section 1165(1) of that Act)] (investment trusts);
- “investment trust” means an investment trust within the meaning of [F12]section 1158 of CTA 2010];
- “loan relationship” has the same meaning as in the Corporation Tax Acts (see section 302(1) and (2) of CTA 2009);
- “prospective investment trust” means a company that—
- (a) intends to seek approval under [F13]section 1158 of CTA 2010 (meaning of “investment trust”)], and
 - (b) has a reasonable belief that such approval will be obtained;
- “specified” means specified in regulations under this section.

Textual Amendments

- F10** S. 45(2)(c) omitted (with effect in accordance with Sch. 5 para. 5(1) to the amending Act) by virtue of [Finance Act 2017 \(c. 10\)](#), [Sch. 5 para. 2](#)
- F11** Words in s. 45(6) 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. 710\(a\)](#) (with [Sch. 2](#))
- F12** Words in s. 45(6) 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. 710\(b\)](#) (with [Sch. 2](#))
- F13** Words in s. 45(6) 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. 710\(c\)](#) (with [Sch. 2](#))

Insurance etc

^{F14}46 Insurance companies

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Textual Amendments

- F14** S. 46 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(s\)\(i\)](#)

47 Equalisation reserves for Lloyd's corporate and partnership members

- (1) The Treasury may by regulations provide for section 444BA of ICTA (equalisation reserves) to have effect, in such cases and subject to such modifications as may be

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specified in the regulations, in relation to equivalent Lloyd's reserves as it has effect in relation to equalisation reserves maintained by virtue of equalisation reserves rules.

- (2) For this purpose a reserve is an equivalent Lloyd's reserve if it is maintained by a corporate or partnership member for purposes, or in a manner, such as to make it equivalent to an equalisation reserve maintained by virtue of equalisation reserves rules.
- (3) The regulations may include—
 - (a) provision having effect in relation to periods before they are made, and
 - (b) supplementary, incidental, consequential and transitional provision.

- (4) In this section—

“corporate member” means a body corporate which is a member of Lloyd's;
“equalisation reserves rules” has the same meaning as in section 444BA of ICTA (see subsection (11) of that section);

“member” means underwriting member;

“partnership member” means a limited partnership formed under the law of Scotland, or a limited liability partnership formed under the law of any part of the United Kingdom, which is a member of Lloyd's.

Simplification

48 Disguised interest

Schedule 24 contains provision about the corporation tax treatment of disguised interest.

49 Transfer of income streams

Schedule 25 contains provision about transfers of income streams.

50 SAYE schemes

- (1) Schedule 26 contains provision amending Chapter 4 of Part 6 of ITTOIA 2005 (SAYE interest).
- (2) The amendments made by that Schedule are treated as having come into force on 29 April 2009.

Residence and domicile

51 Remittance basis

Schedule 27 contains amendments about the remittance basis.

52 Exemption for certain non-domiciled persons

- (1) In Part 14 of ITA 2007 (income tax: miscellaneous rules), after Chapter 1 insert—

Status: Point in time view as at 06/12/2022.

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“CHAPTER 1A

EXEMPTION FOR PERSONS NOT DOMICILED IN UNITED KINGDOM

828A Introduction

This Chapter provides for an exemption from liability to income tax for an individual for a tax year if—

- (a) the individual is UK resident in the tax year but not domiciled in the United Kingdom in the tax year,
- (b) section 809B does not apply to the individual for the tax year, and
- (c) conditions A to F in section 828B are met.

828B Conditions to be met

- (1) Condition A is that in the tax year the individual has income from an employment the duties of which are performed wholly or partly in the United Kingdom.
- (2) Condition B is that, if the individual's income for the tax year consists of or includes relevant foreign earnings—
 - (a) the amount of the relevant foreign earnings does not exceed £10,000, and
 - (b) all of that amount is subject to a foreign tax.
- (3) Condition C is that, if the individual's income for the tax year consists of or includes income that is relevant foreign income by virtue of section 830(2)(e) of ITTOIA 2005—
 - (a) the amount of that income does not exceed £100, and
 - (b) all of that amount is subject to a foreign tax.
- (4) Condition D is that the individual has no other foreign income and gains for the tax year.
- (5) Condition E is that the individual would not for the tax year be liable to income tax at a rate other than the basic rate or the starting rate for savings if this Chapter did not apply to the individual for the tax year.
- (6) Condition F is that the individual does not make a return under section 8 of TMA 1970 for the tax year.

828C The exemption

- (1) The exemption is given by deducting the relevant amount from what would otherwise be the amount of the individual's liability to income tax for the tax year under section 23.
- (2) “The relevant amount” is so much of the amount of the individual's liability to income tax as is attributable to the individual's foreign income or gains for the tax year.

Status: Point in time view as at 06/12/2022.

Changes to legislation: Finance Act 2009 is up to date with all changes known to be in force on or before 01 July 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)

- (3) But if for the tax year the individual's total income is reduced by any deductions which fall to be made at Step 3 of the calculation in section 23 from the individual's foreign income or gains for the tax year, subsection (2) has effect as if the individual's foreign income or gains for the tax year were reduced by the amount of the deductions.
- (4) And if the individual is entitled under—
 - (a) section 788 of ICTA (double taxation arrangements: relief by agreement), or
 - (b) section 790(1) of that Act (relief for foreign tax where no double taxation arrangements),to a tax reduction in respect of the individual's foreign income or gains for the tax year, what would otherwise be the relevant amount is reduced by the amount of that reduction.

828D Interpretation of Chapter

- (1) This section applies for the purposes of this Chapter.
 - (2) “Employed” and “employment” have the same meaning as in the employment income Parts of ITEPA 2003: see Chapter 1 of Part 2 of that Act.
 - (3) “Foreign income and gains”, in relation to an individual, means what would be the individual's foreign income and gains for the purposes of Chapter A1 of this Part if section 809B applied to the individual (see section 809Z7(2)).
 - (4) “Foreign tax” means any tax chargeable under the law of a territory outside the United Kingdom.
 - (5) “Relevant foreign earnings”, in relation to an individual, means what would be the individual's relevant foreign earnings for the purposes of Chapter A1 of this Part if section 809B applied to the individual (see section 809Z7(3)).”
- (2) In section 2(14) of ITA 2007 (overview), after paragraph (a) insert—
 - “(aa) exemption for persons not domiciled in United Kingdom (Chapter 1A),”.
 - (3) The amendments made by this section have effect for the tax year 2008-09 and subsequent tax years.

Employment income

53 Taxable benefits: cars

Schedule 28 contains provision about taxable benefits arising from cars made available to employees etc by reason of employment.

54 Taxable benefit of cars: price of automatic car for disabled employee

- (1) Chapter 6 of Part 3 of ITEPA 2003 (taxable benefits: cars etc) is amended as follows.
- (2) In section 116(3) (meaning of when car is available), after “to section” insert “ 124A or ”.

Status: Point in time view as at 06/12/2022.

Changes to legislation: Finance Act 2009 is up to date with all changes known to be in force on or before 01 July 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)

- (3) In section 121(1) (method of calculating cash equivalent of benefit of car), in step 1, for “124” substitute “ 124A ”.
- (4) In section 122 (price of car), the existing provision becomes subsection (1) of that section and after that subsection insert—
 - “(2) This is subject to section 124A (automatic car for a disabled employee).”
- (5) After section 124 insert—

“124A Automatic car for a disabled employee

- (1) This section applies where—
 - (a) a car has automatic transmission (“the automatic car”),
 - (b) at any time in the year when the automatic car is available to the employee (“E”), E holds a disabled person's badge, and
 - (c) by reason of E's disability, E must, in the event of wanting to drive a car, drive a car which has automatic transmission.
- (2) If, under section 122 to 124, the price of the automatic car is more than it would have been if the automatic car had been an equivalent manual car, the price of the automatic car is to be the price of an equivalent manual car.
- (3) In subsection (2) “an equivalent manual car” means a car which—
 - (a) is first registered at or about the same time as the automatic car, and
 - (b) does not have automatic transmission, but otherwise is the closest variant available of the make and model of the automatic car.
- (4) For the purposes of this section a car has automatic transmission if—
 - (a) the driver of the car is not provided with any means by which the driver may vary the gear ratio between the engine and the road wheels independently of the accelerator and the brakes, or
 - (b) the driver is provided with such means, but they do not include—
 - (i) a clutch pedal, or
 - (ii) a lever which the driver may operate manually.
- (5) For the purposes of this section a car is available to an employee at a particular time if it is then made available, by reason of the employment and without any transfer of the property in it, to the employee.”
- (6) The amendments made by this section have effect for the tax year 2009-10 and subsequent tax years.

55 Exemption of benefit consisting of health-screening or medical check-up

- (1) Part 4 of ITEPA 2003 (employment income: exemptions) is amended as follows.
- (2) In section 266(3) (exemption of non-cash vouchers for exempt benefits), omit the “or” at the end of paragraph (e) and insert at the end “or
 - (g) section 320B (health screening and medical check-ups).”
- (3) In section 267(2) (exemption of credit-tokens used for exempt benefits), omit the “and” at the end of paragraph (g) and insert at the end “and

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- (i) section 320B (health screening and medical check-ups).”
- (4) After section 320A insert—

“Health-screening and medical check-ups

320B Health-screening and medical check-ups

- (1) No liability to income tax arises in respect of the provision for an employee, on behalf of an employer, of a health-screening assessment or a medical check-up.
- (2) Subsection (1) does not apply—
- (a) to more than one health-screening assessment provided in a tax year by any one employer or by any of a number of persons who are employers of the employee at the same time, or
- (b) to more than one medical check-up so provided.
- (3) In this section—
- “health-screening assessment” means an assessment to identify employees who might be at particular risk of ill-health, and
- “medical check-up” means a physical examination of the employee by a health professional for (and only for) determining the employee's state of health.”
- (5) The amendments made by this section have effect for the tax year 2009-10 and subsequent tax years.

56 MEPs' pay, allowances and pensions under European Parliament Statute

- (1) ^{F15}Part 2 of TIOPA 2010 (double taxation] relief) has effect as if tax for the benefit of ^{F16}the European Union] payable in respect of any income under—
- (a) Articles 9.1 and 10 (salaries),
- (b) Article 13 (transitional allowances), or
- (c) Article 14, 15 or 17 (pensions for old-age, incapacity and survivors),
- of the Statute for Members of the European Parliament (2005/684/EC, Euratom) were payable under the law of a territory outside the United Kingdom.
- (2) In section 291(2)(c) of ITEPA 2003 (termination payments under section 3 of European Parliament (Pay and Pensions) Act 1979), insert at the end “or under Article 13 of the Statute for Members of the European Parliament (transitional allowances),”.
- (3) This section has effect for the tax year 2009-10 and subsequent tax years.

Textual Amendments

F15 Words in s. 56(1) substituted (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. 103](#) (with Sch. 9 paras. 1-9, 22)

F16 Words in Act substituted (22.4.2011) by [The Treaty of Lisbon \(Changes in Terminology\) Order 2011 \(S.I. 2011/1043\), arts. 2, 3, 4](#) (with arts. 3(3), 4(2), 6(4)(5))

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Double taxation

F17 57 Tax underlying dividends

.....

Textual Amendments

- F17** S. 57 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)

F18 58 Manufactured overseas dividends

.....

Textual Amendments

- F18** S. 58 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)

F19 59 Payments by reference to foreign tax etc

.....

Textual Amendments

- F19** S. 59 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)

F20 60 Anti-fragmentation

.....

Textual Amendments

- F20** S. 60 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)

Miscellaneous anti-avoidance provisions

61 Financial arrangements avoidance

Schedule 30 contains provision to counter avoidance involving financial arrangements.

Status: Point in time view as at 06/12/2022.

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F21 62 Transfers of trade to obtain terminal loss relief

.....

Textual Amendments

F21 S. 62 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](#))

F22 63 Sale of lessor companies etc: anti-avoidance

.....

Textual Amendments

F22 S. 63 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](#))

64 Leases of plant or machinery

Schedule 32 contains provision about leases of plant or machinery.

65 Long funding leases of films

Schedule 33 contains provision about long funding leases of films.

F23 66 Real Estate Investment Trusts

.....

Textual Amendments

F23 S. 66 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](#))

67 Deductions for employee liabilities

(1) ITEPA 2003 is amended as follows.

(2) In section 346 (deduction for employee liabilities), after subsection (2) insert—

“(2A) Nor is a deduction allowed for a payment which falls within paragraph A, B or C if the payment is made in pursuance of arrangements the main purpose, or one of the main purposes, of which is the avoidance of tax.”

(3) After section 556 insert—

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“556A Deductible payments made pursuant to tax avoidance arrangements

No deduction may be made under section 555 if the deductible payment is made in pursuance of arrangements the main purpose, or one of the main purposes, of which is the avoidance of tax.”

- (4) The amendments made by this section have effect in relation to payments made on or after 12 January 2009 (irrespective of when the arrangements are made).

68 Employment loss relief

- (1) In section 128 of ITA 2007 (employment loss relief against general income), after subsection (5) insert—

“(5A) No claim may be made in respect of the loss if and to the extent that it is made as a result of anything done in pursuance of arrangements the main purpose, or one of the main purposes, of which is the avoidance of tax.”

- (2) The amendment made by subsection (1)—
 - (a) has effect in relation to a loss made in the tax year 2009-10 or a subsequent tax year, and
 - (b) has effect in relation to a loss made in the tax year 2008-09 if or to the extent that it is occasioned by an act or omission occurring on or after 12 January 2009.
- (3) Where a person has made a claim under section 128 of ITA 2007 during the relevant period, no penalty is payable by the person on the ground that any return, statement or declaration made in connection with the claim contained an inaccuracy if it would not have done so but for the amendment made by subsection (1).

For this purpose “the relevant period” is the period—

- (a) beginning with 12 January 2009, and
- (b) ending with 1 April 2009.

^{F24}(4)

Textual Amendments

F24 S. 68(4) omitted (1.4.2011) by virtue of [The Finance Act 2009, Schedules 55 and 56 \(Income Tax Self Assessment and Pension Schemes\) \(Appointed Days and Consequential and Savings Provisions\) Order 2011 \(S.I. 2011/702\)](#), arts. 1(1), **15(a)** (with arts. 20, 22)

^{F25}**69 No loss relief for losses from contracts for life insurance etc**

.....

Textual Amendments

F25 S. 69 omitted (with effect and application in accordance with s. 22(8) of the amending Act) by virtue of [Finance Act 2015 \(c. 11\)](#), s. **22(7)**

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70 Intangible fixed assets and goodwill

- (1) Part 8 of CTA 2009 (intangible fixed assets) is amended as follows.
- (2) In section 712(1) (meaning of “intangible asset”), insert at the end “ (and includes an internally-generated intangible asset) ”.
- (3) In section 715 (application of Part 8 to goodwill)—
 - (a) in subsection (3), insert at the end “(and includes internally-generated goodwill)”, and
 - (b) insert at the end—

“(4) For the purposes of this Part, goodwill is treated as created in the course of carrying on the business in question.”
- (4) In section 883 (assets treated as created or acquired when expenditure incurred)—
 - (a) in subsection (1), for paragraph (b) substitute—

“(b) has effect subject to the provisions specified in subsection (2).”
 - (b) in subsection (2)(a), omit “internally-generated”,
 - (c) in subsection (2)(b), for “certain other internally-generated assets” substitute “ assets representing non-qualifying expenditure ”, and
 - (d) in subsection (3), omit “to which this section applies”.
- (5) In section 884 (internally-generated goodwill: time of creation)—
 - (a) omit “internally-generated”,
 - (b) for the words from “before” to the end substitute “—
 - (a) before (and not on or after) 1 April 2002 in a case in which the business in question was carried on at any time before that date by the company or a related party, and
 - (b) on or after 1 April 2002 in any other case.”, and
 - (c) in the heading, omit “**Internally-generated**”.
- (6) In section 885 (certain other internally-generated assets: time of creation)—
 - (a) in subsection (1)(b), omit “internally-generated”,
 - (b) in subsection (7), for the words from “before” to the end substitute “—
 - (a) before (and not on or after) 1 April 2002 in a case in which the asset in question was held at any time before that date by the company or a related party, and
 - (b) on or after 1 April 2002 in any other case.”, and
 - (c) in the heading, for “**Certain other internally-generated assets**” substitute “**Assets representing non-qualifying expenditure** ”.
- (7) The amendments made by this section have effect in relation to accounting periods beginning on or after 22 April 2009 (and, in relation to those accounting periods, are to be treated as always having had effect).
- (8) For the purposes of subsection (7) an accounting period beginning before, and ending on or after, 22 April 2009 is to be treated as if so much of the period as falls before that date, and so much of the period as falls on or after that date, were separate accounting periods.

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71 Taxable benefit of living accommodation: lease premiums

- (1) Chapter 5 of Part 3 of ITEPA 2003 (taxable benefits: living accommodation) is amended as follows.
- (2) In section 105 (cash equivalent: cost of accommodation not over £75,000)—
 - (a) in subsection (3), after “is” insert “ (subject to subsections (4) and (4A)) ”, and
 - (b) for subsection (4) substitute—
 - “(4) Subsection (4A) applies where—
 - (a) a rental amount is payable by the person (“P”) at whose cost the accommodation is provided in respect of the whole or part of the taxable period (“the relevant period”), and
 - (b) the amount so payable is payable at an annual rate greater than the annual value.
 - (4A) Where this subsection applies—
 - (a) subsection (3) does not apply to the relevant period, and
 - (b) instead the “rental value of the accommodation” for the relevant period is the rental amount payable by P in respect of the relevant period.
 - (4B) A reference in subsection (4) or (4A) to a rental amount payable by P in respect of the relevant period is to the sum of—
 - (a) any rent for the period payable by P, and
 - (b) any amount attributed to the period in respect of a lease premium (see sections 105A and 105B).”
- (3) After that section insert—

“105A Lease premiums

- (1) For the purposes of section 105(4B)(b) an amount is attributed to the relevant period “in respect of a lease premium” if—
 - (a) the property consists of premises, or a part of premises, that are subject to a lease,
 - (b) the premises are not mainly used by P for a purpose other than the provision of living accommodation to which this Chapter applies,
 - (c) the lease is for a term of 10 years or less, and
 - (d) the net amount payable by P in relation to the lease by way of lease premium is greater than zero.
- (2) The amount so attributed is—

$$\frac{A}{B} \times C$$

where—

A is the relevant period (in days),

B is the term of the lease (in days), and

C is the net amount payable by P in relation to the lease by way of lease premium.

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- (3) For provision about the application of this section in relation to certain leases with break clauses, see section 105B.
- (4) For the purposes of this section the net amount payable by P in relation to a lease by way of lease premium is—
 - (a) the total amount (if any) that has been paid, or is or will become payable, by P in relation to the lease by way of lease premium, less
 - (b) any amount within paragraph (a) that has been repaid or is or will become repayable.
- (5) In this section and section 105B “lease premium” means any premium payable—
 - (a) under a lease, or
 - (b) otherwise under the terms on which a lease is granted.
- (6) In the application of this section to Scotland “premium” includes a grassum.

105B Lease premiums in the case of leases with break clauses

- (1) This section applies to a lease (“the original lease”) that contains one or more relevant break clauses.
- (2) For the purposes of this section—
 - (a) “break clause” means a provision of a lease that gives a person a right to terminate it so that its term is shorter than it otherwise would be, and
 - (b) a break clause contained in the original lease is “relevant” if the right to terminate the lease that it confers is capable of being exercised in such a way that the term of the original lease is 10 years or less.
- (3) For the purposes of section 105A—
 - (a) the term of the original lease, and
 - (b) the net amount payable by P in relation to the lease by way of lease premium,are to be determined on the assumption that any relevant break clause is exercised in such a way that the term of the lease is as short as possible.
- (4) If a relevant break clause is not in fact exercised in such a way that the term of the original lease is as short as possible, the parties to the lease are treated for the purposes of section 105A as if they were parties to another lease (a “notional lease”) the term of which—
 - (a) begins immediately after the time at which the term of the original lease would have ended, if that break clause had been so exercised, and
 - (b) ends at the time mentioned in subsection (5).
- (5) The term of a notional lease ends—
 - (a) at the time the term of the original lease would end, on the assumption that any relevant break clause that is exercisable only after the beginning of the term of the notional lease is exercised in such a way that the term of the original lease is as short as possible, or

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- (b) if earlier, the tenth anniversary of the beginning of the term of the original lease.
- (6) For the purposes of section 105A the net amount payable by P in relation to a notional lease by way of lease premium is, in the case of a notional lease the term of which ends under paragraph (a) of subsection (5)—
 - (a) the net amount that would be payable by P in relation to the original lease by way of lease premium on the assumption mentioned in that paragraph, less
 - (b) any part of that amount that has already been attributed to a period in respect of a lease premium under section 105(4B)(b).
- (7) For the purposes of section 105A the net amount payable by P in relation to a notional lease by way of lease premium is, in the case of a notional lease the term of which ends under paragraph (b) of subsection (5), the relevant proportion of—
 - (a) the net amount that would be payable by P in relation to the original lease by way of lease premium, on the assumption that no break clause is exercised, less
 - (b) any part of that amount that has already been attributed to a period in respect of a lease premium under section 105(4B)(b).
- (8) In subsection (7) “the relevant proportion” means—

$$\frac{D}{E}$$

where—

D is the term of the notional lease (in days), and

E is the sum of—

- (a) the term of the notional lease (in days), and
- (b) the number of days by which the term of the original lease would exceed 10 years, on the assumption that no break clause is exercised.”
- (4) The amendments made by this section have effect in relation to—
 - (a) any lease entered into on or after 22 April 2009, and
 - (b) subject to subsection (5), any lease entered into before that date the term of which is extended on or after that date.
- (5) In relation to a lease of the kind mentioned in subsection (4)(b) the amendments made by this section have effect—
 - (a) as if the additional term of the lease created by the extension were the whole of the term of the lease, and
 - (b) ignoring any lease premium payable in respect of the unextended term of the lease.
- (6) In this section “lease premium” has the same meaning as in sections 105A and 105B of ITEPA 2003.

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PART 3

PENSIONS

72 Special annual allowance charge etc

Schedule 35 contains provision for and in connection with a special annual allowance charge in respect of pension schemes.

73 Financial assistance scheme

- (1) The Treasury may by regulations make provision for and in connection with—
 - (a) the application of the relevant taxes in relation to the financial assistance scheme, and
 - (b) the application of the relevant taxes in relation to any person in connection with the financial assistance scheme.
- (2) “The financial assistance scheme” means the scheme provided for by regulations under section 286 of the Pensions Act 2004.
- (3) The provision that may be made by regulations under this section includes provision imposing any of the relevant taxes (as well as provisions for exemptions or reliefs).
- (4) The relevant taxes are—
 - (a) income tax,
 - (b) capital gains tax,
 - (c) corporation tax,
 - (d) inheritance tax,
 - (e) value added tax,
 - (f) stamp duty land tax,
 - (g) stamp duty, and
 - (h) stamp duty reserve tax.
- (5) Regulations under this section may, in particular, include provision for and in connection with the taxation of payments made by virtue of regulations under section 286 of the Pensions Act 2004.
- (6) The exemptions and reliefs that may be given by regulations under this section include, in particular, exemption from charges to income tax, corporation tax or capital gains tax in respect of—
 - (a) income arising from any assets held or managed by, or receipts of, the person who manages the financial assistance scheme (“the scheme manager”) and any chargeable gains arising from the disposal of any such assets, and
 - (b) the receipt of fraud compensation payments (within the meaning of Part 2 of the Pensions Act 2004: see section 182(1) of that Act).
- (7) Regulations under this section may include provision having effect in relation to any time before they are made if the provision does not increase any person's liability to tax.
- (8) The provision made by regulations under this section may be framed as provision applying with appropriate modifications provisions having effect in relation to registered pension schemes; and for this purpose “registered pension scheme” means

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a pension scheme within the meaning of Part 4 of FA 2004 which is registered under Chapter 2 of that Part of that Act.

- (9) Regulations under this section may include—
 - (a) provision amending any enactment or instrument, and
 - (b) consequential, supplementary and transitional provision.
- (10) Regulations under this section are to be made by statutory instrument.
- (11) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of the House of Commons.

74 FSCS intervention in relation to insurance in connection with pensions

- (1) The Treasury may by regulations make provision for and in connection with the application of the relevant taxes in relation to circumstances in which there is relevant intervention under the FSCS.
- (2) “Relevant intervention” means—
 - (a) anything done under, or while seeking to make, arrangements for securing continuity of insurance in connection with registered pension schemes,
 - (b) anything done as part of measures for safeguarding policyholders in connection with registered pension schemes, or
 - (c) the payment of compensation in connection with registered pension schemes.
- (3) “The FSCS” means the Financial Services Compensation Scheme (established under Part 15 of FISMA 2000).
- (4) The provision that may be made by regulations under this section includes provision imposing any of the relevant taxes (as well as provisions for exemptions or reliefs).
- (5) The relevant taxes are—
 - (a) income tax,
 - (b) capital gains tax,
 - (c) corporation tax,
 - (d) inheritance tax,
 - (e) stamp duty land tax,
 - (f) stamp duty, and
 - (g) stamp duty reserve tax.
- (6) Regulations under this section may include provision having effect in relation to any time before they are made if the provision does not increase any person's liability to tax.
- (7) The provision made by regulations under this section may be framed as provision modifying, or applying with appropriate modifications, provisions having effect in relation to registered pension schemes.
- (8) Regulations under this section may include—
 - (a) provision amending any enactment or instrument, and
 - (b) consequential, supplementary and transitional provision.
- (9) Regulations under this section are to be made by statutory instrument.

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- (10) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of the House of Commons.
- (11) In this section “registered pension scheme” means a pension scheme within the meaning of Part 4 of FA 2004 which is registered under Chapter 2 of that Part of that Act.

75 Power to make retrospective non-charging provision

- (1) In section 282 of FA 2004 (orders and regulations under Part 4), insert at the beginning—
- “(A1) Any order or regulations made by the Treasury or the Commissioners for Her Majesty's Revenue and Customs under this Part may include provision having effect in relation to times before the order is, or regulations are, made if that provision does not increase any person's liability to tax.
- (A2) Subsection (A1) does not limit any specific power to make provision by an order or regulations in relation to times before the order is, or regulations are, made.”
- (2) In consequence of the amendment made by subsection (1), omit the following provisions of Part 4 of FA 2004—
- (a) section 164(2)(d),
 - (b) section 281(4),
 - (c) section 283(3C),
 - (d) in Schedule 28, paragraphs 3(2CA) and 17(4A), and
 - (e) in Schedule 29A, paragraph 9(2).
- (3) In consequence of subsection (2), omit—
- (a) in FA 2006, in Schedule 23, paragraph 34(4), and
 - (b) in FA 2008, in Schedule 29, paragraph 2.

PART 4

VALUE ADDED TAX

76 Place of supply of services etc

Schedule 36 contains provisions about the place of supply of services for the purposes of value added tax and related matters.

77 Repayment to those in business in other States

- (1) VATA 1994 is amended as follows.
- (2) In subsection (3) of section 39 (repayment of VAT to those in business overseas)—
- (a) in the words before paragraph (a), after “such cases” insert “ and to such extent ”
 - (b) in sub-paragraph (ii) of paragraph (b), after “Act” insert “ in respect of such period as may be prescribed ” and omit the “and” at the end,

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- (c) after that paragraph insert—
 - “(ba) for and in connection with the payment of interest to or by the Commissioners (including in relation to the repayment of interest wrongly paid), and”, and
 - (d) in paragraph (c), for “methods by which” substitute “ time by which and manner in which claims must be made, ”.
- (3) After that section insert—

“39A Applications for forwarding of VAT repayment claims to other member States

The Commissioners must make arrangements for dealing with applications made to the Commissioners by taxable persons, in accordance with Council Directive [2008/9/EC](#), for the forwarding to the tax authorities of another member State of claims for refunds of VAT on—

- (a) supplies to them in that member State, or
 - (b) the importation of goods by them into that member State from places outside the member States.”
- (4) In section 83(1) (appeals), after paragraph (h) insert—
- “(ha) any decision of the Commissioners to refuse to make a repayment under a scheme under section 39;”.

F2678 Information relating to cross-border supplies of services to taxable recipients

.....

Textual Amendments

- F26** S. 78 repealed (31.12.2020) by [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 132\(g\)](#) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), [regs. 1\(2\), 21](#)), [S.I. 2020/1545](#), [Pt. 4](#) and [2020 c. 26](#), [Sch. 2 para. 7\(7\)-\(9\)](#)); [S.I. 2020/1642](#), [reg. 4\(b\)](#) (with [reg. 7](#))

79 Effect of VAT changes on arbitration of rent for agricultural holdings

- (1) In paragraph 4(2) of Schedule 2 to the Agricultural Holdings Act 1986 (frequency of arbitrations of rent: changes in rent to be disregarded), insert at the end—
- “(d) an increase or reduction of rent arising from—
- (i) the exercise of an option to tax under Schedule 10 to the Value Added Tax Act 1994,
 - (ii) the revocation of such an option, or
 - (iii) a change in the rate of value added tax applicable to grants of interests in or rights over land in respect of which such an option has effect.”
- (2) Paragraph 4(2)(d) of Schedule 2 to that Act (as inserted by subsection (1)) includes an increase or reduction of rent arising from an option, revocation or change in rate that takes effect before the day on which this Act is passed.

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- (3) The references in that provision and in subsection (2) to an option to tax, or to the exercise or revocation of such an option, under Schedule 10 to VATA 1994 include a reference to an election to waive exemption, or to the making or revocation of such an election, under that Schedule (as it had effect before 1 June 2008).

PART 5

STAMP TAXES

Stamp duty land tax

80 Exercise of collective rights by tenants of flats

- (1) Section 74 of FA 2003 (collective enfranchisement by leaseholders) is amended as follows.
- (2) For subsection (1) substitute—
- “(1) This section applies where a chargeable transaction is entered into by a person or persons nominated or appointed by qualifying tenants of flats contained in premises in exercise of—
- (a) a right under Part 1 of the Landlord and Tenant Act 1987 (right of first refusal), or
- (b) a right under Chapter 1 of Part 1 of the Leasehold Reform, Housing and Urban Development Act 1993 (right to collective enfranchisement).”
- (3) In subsection (2)—
- (a) omit “In that case,”, and
- (b) for “flats in respect of which the right of collective enfranchisement is being exercised” substitute “qualifying flats contained in the premises”.
- (4) For subsection (4) substitute—
- “(4) In this section—
- “flat” and “qualifying tenant” have the same meaning as in the Chapter or Part of the Act conferring the right being exercised;
- “qualifying flat” means a flat that is held by a qualifying tenant who is participating in the exercise of the right.”
- (5) For the heading substitute “**Exercise of collective rights by tenants of flats**”.
- (6) Accordingly, in section 55(5) of that Act (amount of tax chargeable), for “collective enfranchisement by leaseholders” substitute “exercise of collective rights by tenants of flats”.
- (7) The amendments made by this section have effect in relation to transactions with an effective date on or after 22 April 2009.

81 Registered providers of social housing

- (1) Part 4 of FA 2003 (stamp duty land tax) is amended as follows.

Status: Point in time view as at 06/12/2022.

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- (2) Section 71 (certain acquisitions by registered social landlord) is amended as follows.
- (3) Insert at the beginning—
- “(A1) A land transaction under which the purchaser is a profit-making registered provider of social housing is exempt from charge if the transaction is funded with the assistance of a public subsidy.”
- (4) In subsection (4), for “subsection (1)(c)” substitute “ this section ”.
- (5) Schedule 9 (right to buy etc) is amended as follows.
- (6) In paragraph 5 (shared ownership leases: “qualifying body” etc)—
- (a) in sub-paragraph (2), insert at the end—
- “(g) a registered provider of social housing that is not within paragraph (b) (subject to sub-paragraph (2A)).”, and
- (b) after that sub-paragraph insert—
- “(2A) A registered provider of social housing within sub-paragraph (2)(g) (“R”) is only a qualifying body in relation to a lease of premises if the following has been funded with the assistance of a grant or other financial assistance under section 19 of the Housing and Regeneration Act 2008—
- (a) the purchase or construction of the premises by R (or a person connected with R), or
- (b) the adaptation of the premises by R (or a person connected with R) for use as a dwelling.
- (2B) Section 839 of the Taxes Act 1988 (connected persons) has effect for the purposes of sub-paragraph (2A).”
- (7) In paragraph 7 (shared ownership trusts: introduction)—
- (a) in sub-paragraph (3), omit “(within the meaning of paragraph 5(2))”, and
- (b) insert at the end—
- “(7) In Condition 2 “qualifying body” means—
- (a) a qualifying body within the meaning of paragraph 5(2)(a) to (f), or
- (b) a registered provider of social housing within paragraph 5(2)(g) (subject to sub-paragraph (8)).
- (8) A registered provider of social housing within paragraph 5(2)(g) (“R”) is only a qualifying body in relation to a shared ownership trust if the following has been or is being funded with the assistance of a grant or other financial assistance under section 19 of the Housing and Regeneration Act 2008—
- (a) the purchase or construction of the trust property by R (or a person connected with R), or
- (b) the adaptation of the trust property by R (or a person connected with R) for use as a dwelling.
- (9) Section 839 of the Taxes Act 1988 (connected persons) has effect for the purposes of sub-paragraph (8).”

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- (8) The amendments made by this section have effect in relation to transactions with an effective date on or after the day on which this Act is passed.

82 Rent to shared ownership

- (1) In Schedule 9 to FA 2003 (stamp duty land tax: right to buy etc), insert at the end—

“Rent to shared ownership lease: charge to tax

- 13 (1) The chargeable consideration for transactions forming part of a rent to shared ownership lease scheme is determined in accordance with this paragraph.
- (2) A “rent to shared ownership lease scheme” means a scheme or arrangement under which a qualifying body—
- (a) grants an assured shorthold tenancy of a dwelling to a person (“the tenant”) or persons (“the tenants”), and
 - (b) subsequently grants a shared ownership lease of the dwelling or another dwelling to the tenant or one or more of the tenants.
- (3) The following transactions are to be treated as if they were not linked to each other—
- (a) the grant of the assured shorthold tenancy,
 - (b) the grant of the shared ownership lease, and
 - (c) any other land transaction between the qualifying body and the tenant, or any of the tenants, entered into as part of the scheme.
- (4) For the purpose of determining the effective date of the grant of the shared ownership lease, the possession of the dwelling by the tenant or tenants pursuant to the assured shorthold tenancy is to be disregarded.
- (5) In this paragraph—
- “assured shorthold tenancy” has the same meaning as in Part 1 of the Housing Act 1988;
 - “qualifying body” has the same meaning as in paragraph 5;
 - “shared ownership lease” has the same meaning as in paragraph 4A.

Rent to shared ownership trust: charge to tax

- 14 (1) The chargeable consideration for transactions forming part of a rent to shared ownership trust scheme is determined in accordance with this paragraph.
- (2) A “rent to shared ownership trust scheme” means a scheme or arrangement under which—
- (a) a qualifying body grants an assured shorthold tenancy of a dwelling to a person (“the tenant”) or persons (“the tenants”), and
 - (b) the tenant, or one or more of tenants, subsequently becomes the purchaser under a shared ownership trust of the dwelling, or another dwelling, under which the qualifying body is the social landlord.

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- (3) The following transactions are to be treated as if they were not linked to each other—
- (a) the grant of the assured shorthold tenancy,
 - (b) the declaration of the shared ownership trust, and
 - (c) any other land transaction between the qualifying body and the tenant, or any of the tenants, entered into as part of the scheme.
- (4) For the purpose of determining the effective date of the declaration of the shared ownership trust, the possession of the dwelling by the tenant or tenants pursuant to the assured shorthold tenancy is to be disregarded.
- (5) In this paragraph—
- “assured shorthold tenancy” has the same meaning as in Part 1 of the Housing Act 1988;
- “qualifying body” has the same meaning as in paragraph 5;
- “social landlord” and “purchaser”, in relation to a shared ownership trust, have the same meaning as in paragraph 7.”
- (2) The amendment made by subsection (1) has effect in relation to cases in which the effective date of the grant of the shared ownership lease or the declaration of the shared ownership trust is on or after 22 April 2009.
- (3) Paragraphs 13(4) and 14(4) of Schedule 9 to FA 2003 (inserted by this section) have effect for the purposes of subsection (2).

Stock lending arrangements

83 Stamp taxes in event of insolvency

- (1) Schedule 37 contains provision amending Part 3 (stamp duty) and Part 4 (stamp duty reserve tax) of FA 1986 in respect of repurchase and stock lending arrangements in the event of the insolvency of one of the parties.
- (2) The amendments made by that Schedule have effect where the insolvency in question occurs on or after 1 September 2008.
- (3) This section and that Schedule cease to have effect—
- (a) in relation to the amendments made to Part 3 of FA 1986, when the repeal of sections 80 to 85 of that Act (by Part 6 of Schedule 19 to, and in accordance with sections 107 to 109 of, FA 1990) comes into force, and
 - (b) in relation to the amendment made to Part 4 of FA 1986, when the repeal of that Part (by Part 7 of Schedule 19 to, and in accordance with section 110 of, FA 1990) comes into force.

Modifications etc. (not altering text)

C1 S. 83 ceases to have effect in accordance with s. 83(3)

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PART 6

OIL

84 Capital allowances for oil decommissioning expenditure

Schedule 38 contains provision about capital allowances for oil decommissioning expenditure.

85 Blended oil

Schedule 39 contains provision about the treatment of blended oil for the purposes of petroleum revenue tax.

86 Chargeable gains

Schedule 40 contains provision about chargeable gains in oil trades.

87 Oil assets put to other uses

Schedule 41 contains provision about oil production assets put to certain other uses.

88 Former licensees and former oil fields

Schedule 42 contains provision about the treatment of certain former licensees and former oil fields for the purposes of petroleum revenue tax.

89 Abolition of provisional expenditure allowance

Schedule 43 contains provision abolishing provisional expenditure allowance.

^{F27}90 Supplementary charge: reduction for certain new oil fields

.....

Textual Amendments

F27 S. 90 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. 711, **3 Pt. 1** (with Sch. 2)

91 Miscellaneous amendments

Schedule 45 contains miscellaneous amendments relating to oil taxation.

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PART 7

ADMINISTRATION

Standards and values

92 HMRC Charter

(1) In CRCA 2005, after section 16 insert—

“16A Charter of standards and values

- (1) The Commissioners must prepare a Charter.
 - (2) The Charter must include standards of behaviour and values to which Her Majesty's Revenue and Customs will aspire when dealing with people in the exercise of their functions.
 - (3) The Commissioners must—
 - (a) regularly review the Charter, and
 - (b) publish revisions, or revised versions, of it when they consider it appropriate to do so.
 - (4) The Commissioners must, at least once every year, make a report reviewing the extent to which Her Majesty's Revenue and Customs have demonstrated the standards of behaviour and values included in the Charter.”
- (2) The duty imposed by section 16A(1) of CRCA 2005 must be complied with before the end of 2009.

93 Duties of senior accounting officers of qualifying companies

- (1) Schedule 46 contains provision about the duties of senior accounting officers of qualifying companies.
- (2) That Schedule has effect in relation to financial years (within the meaning of the Companies Act 2006) beginning on or after the day on which this Act is passed.

94 Publishing details of deliberate tax defaulters

- (1) The Commissioners may publish information about any person if—
 - (a) in consequence of an investigation conducted by the Commissioners, one or more relevant tax penalties is found to have been incurred by the person, and
 - (b) the potential lost revenue in relation to the penalty (or the aggregate of the potential lost revenue in relation to each of the penalties) exceeds £25,000.
- (2) A “relevant tax penalty” is—
 - (a) a penalty under paragraph 1 of Schedule 24 to FA 2007 (inaccuracy in taxpayer's document) in respect of a deliberate inaccuracy on the part of the person,
 - (b) a penalty under paragraph 1A of that Schedule (inaccuracy in taxpayer's document attributable to deliberate supply of false information or deliberate withholding of information by person),

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- (c) a penalty under paragraph 1 of Schedule 41 to FA 2008 (failure to notify) in respect of a deliberate failure on the part of the person, or
 - (d) a penalty under paragraph 2 (unauthorised VAT invoice), 3 (putting product to use attracting higher duty etc) or 4 (handling goods subject to unpaid excise duty) of that Schedule in respect of deliberate action by the person.
- (3) “Potential lost revenue”, in relation to a penalty, has the meaning given by—
- (a) paragraphs 5 to 8 of Schedule 24 to FA 2007, or
 - (b) paragraphs 7 to 11 of Schedule 41 to FA 2008,
- in relation to the inaccuracy, failure or action to which the penalty relates.
- (4) The information that may be published is—
- (a) the person's name (including any trading name, previous name or pseudonym),
 - (b) the person's address (or registered office),
 - (c) the nature of any business carried on by the person,
 - (d) the amount of the penalty or penalties and the potential lost revenue in relation to the penalty (or the aggregate of the potential lost revenue in relation to each of the penalties),
 - (e) the periods or times to which the inaccuracy, failure or action giving rise to the penalty (or any of the penalties) relates, and
 - (f) any such other information as the Commissioners consider it appropriate to publish in order to make clear the person's identity.
- [^{F28}(4A) Subsection (4B) applies where a person who is a body corporate or a partnership has incurred—
- (a) a penalty under paragraph 1 of Schedule 24 to FA 2007 in respect of a deliberate inaccuracy which involves an offshore matter or an offshore transfer (within the meaning of paragraph 4A of that Schedule), or
 - (b) a penalty under paragraph 1 of Schedule 41 to FA 2008 in respect of a deliberate failure which involves an offshore matter or an offshore transfer (within the meaning of paragraph 6A of that Schedule).
- (4B) The Commissioners may publish the information mentioned in subsection (4) in respect of any individual who—
- (a) controls the body corporate or the partnership (within the meaning of section 1124 of CTA 2010), and
 - (b) has obtained a tax advantage as a result of the inaccuracy or failure.
- (4C) Subsection (4D) applies where one or more trustees of a settlement have incurred—
- (a) a penalty under paragraph 1 of Schedule 24 to FA 2007 in respect of a deliberate inaccuracy which involves an offshore matter or an offshore transfer (within the meaning of paragraph 4A of that Schedule), or
 - (b) a penalty under paragraph 1 of Schedule 41 to FA 2008 in respect of a deliberate failure which involves an offshore matter or an offshore transfer (within the meaning of paragraph 6A of that Schedule).
- (4D) The Commissioners may publish the information mentioned in subsection (4) in respect of any trustee who is an individual and who has obtained a tax advantage as a result of the inaccuracy or failure.]

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- (5) The information may be published in any manner that the Commissioners consider appropriate.
- (6) Before publishing any information [^{F29}about a person under subsection (1),] the Commissioners must—
- (a) inform the person that they are considering doing so, and
 - (b) afford the person reasonable opportunity to make representations about whether it should be published.
- [^{F30}(6A) Before publishing any information about an individual under subsection (4B) or (4D), the Commissioners—
- (a) must inform the individual that they are considering doing so, and
 - (b) afford the individual reasonable opportunity to make representations about whether it should be published.]
- (7) No information may be published before the day when the penalty becomes final (or the latest day when any of the penalties becomes final).
- (8) No information may be published for the first time after the end of the period of one year beginning with that day (or that latest day).
- (9) No information may be published (or continue to be published) after the end of the period of one year beginning with the day on which it is first published.
- (10) No information may be published if the amount of the penalty is reduced under—
- (a) paragraph 10 of Schedule 24 to FA 2007, ^{F31}...
 - [^{F32}(aa) paragraph 10A of that Schedule to the full extent permitted following an unprompted disclosure,]
 - (b) paragraph 13 of Schedule 41 to FA 2008, [^{F33}or
 - (c) paragraph 13A of that Schedule to the full extent permitted following an unprompted disclosure.]
- (reductions for disclosure) to the full extent permitted.
- (11) For the purposes of this section a penalty becomes final—
- (a) if it has been assessed, when the time for any appeal or further appeal relating to it expires or, if later, any appeal or final appeal relating to it is finally determined, or
 - (b) if a contract is made between the Commissioners and the person under which the Commissioners undertake not to assess the penalty or (if it has been assessed) not to take proceedings to recover it, at the time when the contract is made.
- (12) The Treasury may by order vary the amount for the time being specified in subsection (1).
- (13) This section comes into force on a day appointed by order made by the Treasury.
- (14) Orders under this section are to be made by statutory instrument.
- (15) A statutory instrument containing an order under subsection (12) is subject to annulment in pursuance of a resolution of the House of Commons.
- [^{F34}(16) In this section—

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“the Commissioners” means the Commissioners for Her Majesty's Revenue and Customs;

“tax advantage” has the meaning given by section 208 of FA 2013.]

Textual Amendments

- F28** S. 94(4A)-(4D) inserted (1.4.2017) by [Finance Act 2016 \(c. 24\), s. 164\(2\)\(7\)](#); S.I. 2017/261, reg. 2
- F29** Words in s. 94(6) inserted (1.4.2017) by [Finance Act 2016 \(c. 24\), s. 164\(3\)\(7\)](#); S.I. 2017/261, reg. 2
- F30** S. 94(6A) inserted (1.4.2017) by [Finance Act 2016 \(c. 24\), s. 164\(4\)\(7\)](#); S.I. 2017/261, reg. 2
- F31** Word in s. 94(10)(a) omitted (1.4.2017) by virtue of [Finance Act 2016 \(c. 24\), s. 164\(5\)\(a\)\(7\)](#); S.I. 2017/261, reg. 2
- F32** S. 94(10)(aa) inserted (1.4.2017) by [Finance Act 2016 \(c. 24\), s. 164\(5\)\(a\)\(7\)](#); S.I. 2017/261, reg. 2
- F33** S. 94(10)(c) and word inserted (1.4.2017) by [Finance Act 2016 \(c. 24\), s. 164\(5\)\(b\)\(7\)](#); S.I. 2017/261, reg. 2
- F34** S. 94(16) substituted (1.4.2017) by [Finance Act 2016 \(c. 24\), s. 164\(6\)\(7\)](#); S.I. 2017/261, reg. 2

Modifications etc. (not altering text)

- C2** S. 94 applied (with modifications) (19.4.2013) by [The Small Charitable Donations Regulations 2013 \(S.I. 2013/938\)](#), regs. 1, 16
- C3** S. 94(5)-(9) applied (1.4.2013) by [Finance Act 2012 \(c. 14\), s. 223, Sch. 38 para. 28\(4\)](#) (with [Sch. 38 para. 43](#)); S.I. 2013/279, art. 2

Commencement Information

- I1** S. 94 in force at 1.4.2010 by [S.I. 2010/574, art. 2](#)

Information etc

95 Amendment of information and inspection powers

- (1) Schedule 47 contains amendments of Schedule 36 to FA 2008 (information and inspection powers).
- (2) The Treasury may by order make any incidental, supplemental, consequential, transitional or transitory provision or saving which appears appropriate in consequence of, or otherwise in connection with, Schedule 36 to FA 2008 or Schedule 47.
- (3) An order under this section may—
 - (a) make different provision for different purposes, and
 - (b) make provision amending, repealing or revoking an enactment or instrument (whenever passed or made).
- (4) An order under this section is to be made by statutory instrument.
- (5) A statutory instrument containing an order under this section is subject to annulment in pursuance of a resolution of the House of Commons.

96 Extension of information and inspection powers to further taxes

- (1) In paragraph 63(1) of Schedule 36 to FA 2008 (information and inspection powers: meaning of “tax”), for paragraph (e) (and the “and” before it) substitute—
 - “(e) insurance premium tax,

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- (f) inheritance tax,
 - (g) stamp duty land tax,
 - (h) stamp duty reserve tax,
 - (i) petroleum revenue tax,
 - (j) aggregates levy,
 - (k) climate change levy,
 - (l) landfill tax, and
 - (m) relevant foreign tax.”.
- (2) Schedule 48 contains further amendments of that Schedule.
- (3) The amendments made by this section and Schedule 48 come into force on such day as the Treasury may by order appoint.
- (4) An order under subsection (3) may—
- (a) appoint different days for different purposes, and
 - (b) contain transitional provision and savings.
- (5) The Treasury may by order make any incidental, supplemental, consequential, transitional or transitory provision or saving which appears appropriate in consequence of, or otherwise in connection with, this section and Schedule 48.
- (6) An order under subsection (5) may—
- (a) make different provision for different purposes, and
 - (b) make provision amending, repealing or revoking an enactment or instrument (whenever passed or made).
- (7) An order under this section is to be made by statutory instrument.
- (8) A statutory instrument containing an order under subsection (5) is subject to annulment in pursuance of a resolution of the House of Commons.

Commencement Information

- I2** [S. 96\(1\)](#) in force at 1.4.2010 for the purposes of the amendment made by that sub-section by [S.I. 2009/3054, art. 2](#)

97 Powers to obtain contact details for debtors

Schedule 49 contains provision about the powers of officers of Revenue and Customs to obtain contact details of debtors.

98 Record-keeping

- (1) Schedule 50 contains provision about obligations to keep records.
- (2) The amendments made by that Schedule come into force on such day as the Treasury may by order made by statutory instrument appoint.

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Assessments, claims etc

99 Time limits for assessments, claims etc

- (1) Schedule 51 contains provision about time limits for assessments, claims etc.
- (2) The amendments made by that Schedule come into force on such day as the Treasury may by order made by statutory instrument appoint.
- (3) An order under subsection (2)—
 - (a) may make different provision for different purposes, and
 - (b) may include transitional provision and savings.

100 Recovery of overpaid tax etc

- (1) Schedule 52 contains provision for and in connection with the recovery of overpaid income tax, capital gains tax and corporation tax.
- (2) The amendments made by that Schedule have effect in relation to claims made on or after 1 April 2010.
- (3) The Treasury may by order make any incidental, supplemental, consequential, transitional or transitory provision or saving which appears appropriate in consequence of, or otherwise in connection with, that Schedule.
- (4) An order under this section may—
 - (a) make different provision for different purposes, and
 - (b) make provision modifying an enactment or instrument (whenever passed or made).
- (5) “Modifying” includes amending, repealing or revoking.
- (6) An order under this section is to be made by statutory instrument.
- (7) A statutory instrument containing an order under this section is subject to annulment in pursuance of a resolution of the House of Commons.

Interest

101 Late payment interest on sums due to HMRC

- (1) This section applies to any amount that is payable by a person to HMRC under or by virtue of an enactment.
- (2) But this section does not apply to—
 - (a) an amount of corporation tax,
 - (b) an amount of petroleum revenue tax, or
 - (c) an amount of any description specified in an order made by the Treasury.
- (3) An amount to which this section applies carries interest at the late payment interest rate from the late payment interest start date until the date of payment.
- (4) The late payment interest start date in respect of any amount is the date on which that amount becomes due and payable.

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- (5) In Schedule 53—
 - (a) Part 1 makes special provision as to the amount on which late payment interest is calculated,
 - (b) Part 2 makes special provision as to the late payment interest start date,
 - (c) Part 3 makes special provision as to the date to which late payment interest runs, and
 - (d) Part 4 makes provision about the effect that the giving of a relief has on late payment interest.
- (6) Subsection (3) applies even if the late payment interest start date is a non-business day within the meaning of section 92 of the Bills of Exchange Act 1882.
- (7) Late payment interest is to be paid without any deduction of income tax.
- (8) Late payment interest is not payable on late payment interest.
- (9) For the purposes of this section any reference to the payment of an amount to HMRC includes a reference to its being set off against an amount payable by HMRC (and, accordingly, the reference to the date on which an amount is paid includes a reference to the date from which the set-off takes effect).

F35(10)

F36(11)

Textual Amendments

- F35** S. 101(10) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 116](#) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), regs. 1(2), 21), [S.I. 2020/1545](#), Pt. 4 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); [S.I. 2020/1642](#), reg. 4(b) (with reg. 7)
- F36** S. 101(11) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 116](#) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), regs. 1(2), 21), [S.I. 2020/1545](#), Pt. 4 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); [S.I. 2020/1642](#), reg. 4(b) (with reg. 7)

Modifications etc. (not altering text)

- C4** S. 101 applied by S.R. 2009/128, reg. 34 (as substituted (N.I.) (31.10.2011) by [The Education \(Student Loans\) \(Repayment\) \(Amendment\) Regulations \(Northern Ireland\) 2011 \(S.R. 2011/137\)](#), regs. 1(2), 7)
- C5** S. 101 applied by S.I. 2009/470 reg. 39(2)(b) (as substituted (31.10.2011) by [The Education \(Student Loans\) \(Repayment\) \(Amendment\) Regulations 2011 \(S.I. 2011/784\)](#), regs. 1(2), 8)
- C6** S. 101 applied (19.4.2013) by [The Small Charitable Donations Regulations 2013 \(S.I. 2013/938\)](#), regs. 1, 14
- C7** S. 101 applied (with modifications) by 1992 c.7 (N.I.), s. 11A(1)(3) (as inserted (with effect in accordance with Sch. 1 para. 35 of the amending Act) by [National Insurance Contributions Act 2015 \(c. 5\)](#), [Sch. 1 para. 12](#))
- C8** S. 101 applied (with modifications) by 1992 c. 4, s. 11A(1)(3) (as inserted (with effect in accordance with Sch. 1 para. 35 of the amending Act) by [National Insurance Contributions Act 2015 \(c. 5\)](#), [Sch. 1 para. 3](#))
- C9** S. 101 applied by [The Individual Savings Account Regulations 1998 \(S.I. 1998/1870\)](#), Sch. para. 15(2) (as inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#), regs. 1, 31)

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- C10** S. 101 applied (25.1.2018) by [The Help-to-Save Accounts Regulations 2018 \(S.I. 2018/87\)](#), regs. 1, **17(3)**
- C11** S. 101 applied by [The Registered Pension Schemes \(Relief at Source\) Regulations 2005 \(S.I. 2005/3448\)](#), reg. 10(6) (as substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Registered Pension Schemes \(Relief at Source\) \(Amendment\) Regulations 2018 \(S.I. 2018/150\)](#), regs. 1, **3(c)**)
- C12** S. 101(4) modified (E.W.S.) (26.5.2020) by [The Statutory Sick Pay \(Coronavirus\) \(Funding of Employers Liabilities\) Regulations 2020 \(S.I. 2020/512\)](#), regs. 1, **11(5)**
- C13** S. 101(4) modified (N.I.) (26.5.2020) by [The Statutory Sick Pay \(Coronavirus\) \(Funding of Employers Liabilities\) \(Northern Ireland\) Regulations 2020 \(S.I. 2020/513\)](#), regs. 1, **11(5)**
- C14** S. 101(4) modified (E.W.S.) (14.1.2022) by [The Statutory Sick Pay \(Coronavirus\) \(Funding of Employers' Liabilities\) Regulations 2022 \(S.I. 2022/5\)](#), regs. 1, **11(5)**
- C15** S. 101(4) modified (N.I.) (14.1.2022) by [The Statutory Sick Pay \(Coronavirus\) \(Funding of Employers' Liabilities\) \(Northern Ireland\) Regulations 2022 \(S.I. 2022/9\)](#), regs. 1, **11(5)**

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- I3** S. 101 in force at 31.8.2010 for specified purposes by [S.I. 2010/1878](#), **art. 2** (with art. 3)
- I4** S. 101 in force at 6.10.2011 for specified purposes by [S.I. 2011/2391](#), **art. 2(c)**
- I5** S. 101 in force at 31.10.2011 for specified purposes by [S.I. 2011/701](#), **art. 3(1)** (with art. 4)
- I6** S. 101 in force at 1.2.2013 for specified purposes by [S.I. 2013/67](#), **art. 2**
- I7** S. 101 in force at 1.4.2013 for specified purposes by [S.I. 2013/280](#), **art. 2**
- I8** S. 101 in force at 1.10.2013 for specified purposes by [S.I. 2013/2472](#), **art. 2**
- I9** S. 101 in force at 6.5.2014 for specified purposes by [S.I. 2014/992](#), **art. 3(1)**
S. 101 in force retrospectively at 6.5.2014 for further specified purposes by [Finance Act 2019 \(c. 1\)](#), s. **88(6)**
- I10** S. 101 in force at 1.1.2015 for specified purposes by [S.I. 2014/3269](#), **art. 4(1)** (with art. 4(2))
- I11** S. 101 in force at 1.1.2015 for specified purposes by [S.I. 2014/3324](#), **art. 3**
- I12** S. 101 in force at 1.4.2015 for specified purposes by [S.I. 2015/974](#), **art. 2**
- I13** S. 101 in force at 6.4.2018 for specified purposes by [S.I. 2018/468](#), **art. 2(a)**
- I14** S. 101 in force at 6.4.2019 for specified purposes by [2019 c. 1, Sch. 2 para. 31](#)
- I15** S. 101 in force at 1.6.2019 for specified purposes by [S.I. 2019/918](#), **art. 2**
- I16** S. 101 in force at 1.6.2019 for specified purposes by [S.I. 2019/921](#), **art. 2**
- I17** S. 101 in force at 6.9.2019 for specified purposes by [S.I. 2019/1238](#), **art. 2** (with art. 3)
- I18** S. 101 in force at 5.10.2020 for specified purposes by [S.I. 2020/979](#), **art. 3(1)**
- I19** [S. 101](#) in force at 6.4.2021 for specified purposes by [S.I. 2021/445](#), **reg. 2**
S. 101 in force at 6.4.2021 for specified purposes by [2020 c. 14, Sch. 1 para. 29](#) (with Sch. 1 paras. 30-34)
S. 101 in force retrospectively at 6.4.2021 for specified purposes by [2022 c. 3, Sch. 10 para. 29](#)
- I20** S. 103 in force at 6.4.2021 for specified purposes by [2020 c. 14, Sch. 1 para. 29](#) (with Sch. 1 paras. 30-34)
S. 103 in force retrospectively at 6.4.2021 for specified purposes by [2022 c. 3, Sch. 10 para. 29](#)
- I21** [S. 101](#) in force at 1.4.2022 for specified purposes by [S.I. 2021/1409](#), **reg. 2(a)**

102 Repayment interest on sums to be paid by HMRC

- (1) This section applies to—
 - (a) any amount that is payable by HMRC to any person under or by virtue of an enactment, and
 - (b) a relevant amount paid by a person to HMRC that is repaid by HMRC to that person or to another person.
- (2) But this section does not apply to—

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- (a) an amount constituting a repayment of corporation tax,
 - (b) an amount constituting a repayment of petroleum revenue tax, or
 - (c) an amount of any description specified in an order made by the Treasury.
- (3) An amount to which this section applies carries interest at the repayment interest rate from the repayment interest start date until the date on which the payment or repayment is made.
- (4) In Schedule 54—
- (a) Parts 1 and 2 define the repayment interest start date, and
 - (b) Part 3 makes supplementary provision.
- (5) Subsection (3) applies even if the repayment interest start date is a non-business day within the meaning of section 92 of the Bills of Exchange Act 1882.
- (6) Repayment interest is not payable on an amount payable in consequence of an order or judgment of a court having power to allow interest on the amount.
- (7) Repayment interest is not payable on repayment interest.
- (8) For the purposes of this section—
- (a) “relevant amount” means any sum that was paid in connection with any liability (including any purported or anticipated liability) to make a payment to HMRC under or by virtue of an enactment, and
 - (b) any reference to the payment or repayment of an amount by HMRC includes a reference to its being set off against an amount owed to HMRC (and, accordingly, the reference to the date on which an amount is paid or repaid by HMRC includes a reference to the date from which the set-off takes effect).

Modifications etc. (not altering text)

- C16** S. 102 applied by S.I. 2009/470 reg. 39(5)(b) (as substituted (31.10.2011) by [The Education \(Student Loans\) \(Repayment\) \(Amendment\) Regulations 2011](#) (S.I. 2011/784), regs. 1(2), 8)
- C17** S. 102 modified (6.4.2014) by [National Insurance Contributions Act 2014](#) (c. 7), ss. 4(9), 8
- C18** S. 102 applied (with modifications) by 1992 c.7 (N.I.), s. 11A(1)(3) (as inserted (with effect in accordance with Sch. 1 para. 35 of the amending Act) by [National Insurance Contributions Act 2015](#) (c. 5), [Sch. 1 para. 12](#))
- C19** S. 102 applied (with modifications) by 1992 c. 4, s. 11A(1)(3) (as inserted (with effect in accordance with Sch. 1 para. 35 of the amending Act) by [National Insurance Contributions Act 2015](#) (c. 5), [Sch. 1 para. 3](#))
- C20** S. 102 applied by The Individual Savings Account Regulations 1998 (S.I. 1998/1870), Sch. para. 15(2) (as inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017](#) (S.I. 2017/466), regs. 1, 31)
- C21** S. 102 applied (25.1.2018) by [The Help-to-Save Accounts Regulations 2018](#) (S.I. 2018/87), regs. 1, 17(4)

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- I22** S. 102 in force at 31.8.2010 for specified purposes by [S.I. 2010/1878](#), [art. 2](#)
- I23** S. 102 in force at 6.10.2011 for specified purposes by [S.I. 2011/2391](#), [art. 2\(c\)](#)
- I24** S. 102 in force at 31.10.2011 for specified purposes by [S.I. 2011/701](#), [art. 3\(2\)](#) (with [art. 4](#))
- I25** S. 102 in force at 1.2.2013 for specified purposes by [S.I. 2013/67](#), [art. 2](#)
- I26** S. 102 in force at 1.10.2013 for specified purposes by [S.I. 2013/2472](#), [art. 2](#)
- I27** S. 102 in force at 6.5.2014 for specified purposes by [S.I. 2014/992](#), [art. 3\(2\)](#)

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- I28** S. 102 in force at 1.1.2015 for specified purposes by [S.I. 2014/3269, art. 4\(1\)](#) (with art. 4(2))
- I29** S. 102 in force at 1.1.2015 for specified purposes by [S.I. 2014/3324, art. 3](#)
- I30** S. 102 in force at 1.4.2015 for specified purposes by [S.I. 2015/974, art. 2](#)
- I31** S. 102 in force at 6.4.2018 for specified purposes by [S.I. 2018/468, art. 2\(a\)](#)
- I32** S. 102 in force at 6.4.2019 for specified purposes by [2019 c. 1, Sch. 2 para. 31](#)
- I33** S. 102 in force at 1.6.2019 for specified purposes by [S.I. 2019/918, art. 2](#)
- I34** S. 102 in force at 1.6.2019 for specified purposes by [S.I. 2019/921, art. 2](#)
- I35** S. 102 in force at 6.9.2019 for specified purposes by [S.I. 2019/1238, art. 2](#) (with art. 3)
- I36** [S. 102](#) in force at 5.10.2020 for specified purposes by [S.I. 2020/979, art. 3\(2\)](#)
- I37** [S. 102](#) in force at 6.4.2021 for specified purposes by [S.I. 2021/445, reg. 2](#)
S. 102 in force at 6.4.2021 for specified purposes by [2020 c. 14, Sch. 1 para. 29](#) (with Sch. 1 paras. 30-34)
S. 102 in force retrospectively at 6.4.2021 for specified purposes by [2022 c. 3, Sch. 10 para. 29](#)
- I38** [S. 102](#) in force at 1.4.2022 for specified purposes by [S.I. 2021/1409, reg. 2\(a\)](#)
- I39** [S. 102\(2\)\(c\)](#) in force at 6.12.2022 for specified purposes by [S.I. 2022/1277, reg. 2\(1\)](#)

103 Rates of interest

- (1) The late payment interest rate is the rate provided for in regulations made by the Treasury under this subsection.
- (2) The repayment interest rate is the rate provided for in regulations made by the Treasury under this subsection.
- (3) Regulations under subsection (1) or (2)—
 - (a) may make different provision for different purposes,
 - (b) may either themselves specify a rate of interest or make provision for such a rate to be determined (and to change from time to time) by reference to such rate, or the average of such rates, as may be referred to in the regulations,
 - (c) may provide for rates to be reduced below, or increased above, what they otherwise would be by specified amounts or by reference to specified formulae,
 - (d) may provide for rates arrived at by reference to averages to be rounded up or down,
 - (e) may provide for circumstances in which alteration of a rate of interest is or is not to be take place, and
 - (f) may provide that alterations of rates are to have effect for periods beginning on or after a day determined in accordance with the regulations in relation to interest running from before that day as well as from or from after that day.

Modifications etc. (not altering text)

- C22** S. 103 applied by S.R. 2009/128, reg. 34 (as substituted (N.I.) (31.10.2011) by [The Education \(Student Loans\) \(Repayment\) \(Amendment\) Regulations \(Northern Ireland\) 2011 \(S.R. 2011/137\)](#), regs. 1(2), 7)
- C23** S. 103 applied by S.I. 2009/470 reg. 39(2)(b)(5)(b) (as substituted (31.10.2011) by [The Education \(Student Loans\) \(Repayment\) \(Amendment\) Regulations 2011 \(S.I. 2011/784\)](#), regs. 1(2), 8)
- C24** S. 103 applied (E.) (with application in accordance with reg. 1 of the amending S.I.) by [The Education \(Postgraduate Masters Degree Loans\) Regulations 2016 \(S.I. 2016/606\)](#), regs. 1(1), **68(1)**
- C25** S. 103 applied (with modifications) (E.) (with application in accordance with reg. 1 of the amending S.I.) by [The Education \(Postgraduate Masters Degree Loans\) Regulations 2016 \(S.I. 2016/606\)](#), regs. 1(1), **49(1)**

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- C26** S. 103 applied (E.) (with application in accordance with reg. 1 of the amending S.I.) by [The Education \(Postgraduate Masters Degree Loans\) Regulations 2016 \(S.I. 2016/606\)](#), regs. 1(1), **80(1)**
- C27** S. 103 applied (E.) (with application in accordance with reg. 1 of the amending S.I.) by [The Education \(Postgraduate Masters Degree Loans\) Regulations 2016 \(S.I. 2016/606\)](#), regs. 1(1), **49(3)**
- C28** S. 103 applied by [The Individual Savings Account Regulations 1998 \(S.I. 1998/1870\)](#), Sch. para. 15(2) (as inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#)), regs. 1, **31**)
- C29** S. 103 applied by [The Individual Savings Account Regulations 1998 \(S.I. 1998/1870\)](#), Sch. para. 15(3) (as inserted (6.4.2017) by [The Individual Savings Account \(Amendment No. 2\) Regulations 2017 \(S.I. 2017/466\)](#)), regs. 1, **31**)
- C30** S. 103 applied (25.1.2018) by [The Help-to-Save Accounts Regulations 2018 \(S.I. 2018/87\)](#), regs. 1, **17(4)**
- C31** S. 103 applied (25.1.2018) by [The Help-to-Save Accounts Regulations 2018 \(S.I. 2018/87\)](#), regs. 1, **17(3)**
- C32** S. 103 applied by [The Registered Pension Schemes \(Relief at Source\) Regulations 2005 \(S.I. 2005/3448\)](#), **reg. 10(6)** (as substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Registered Pension Schemes \(Relief at Source\) \(Amendment\) Regulations 2018 \(S.I. 2018/150\)](#)), regs. 1, **3(c)**)

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- I20** S. 103 in force at 6.4.2021 for specified purposes by [2020 c. 14, Sch. 1 para. 29](#) (with Sch. 1 paras. 30-34)
S. 103 in force retrospectively at 6.4.2021 for specified purposes by [2022 c. 3, Sch. 10 para. 29](#)
- I40** S. 103 in force at 31.8.2010 for specified purposes by [S.I. 2010/1878, art. 2](#)
- I41** S. 103 in force at 6.10.2011 in so far as not already in force by [S.I. 2011/2401, art. 2](#)
- I42** S. 103 in force at 6.10.2011 for specified purposes by [S.I. 2011/2391, art. 2\(c\)](#)
- I43** S. 103 in force at 31.10.2011 for specified purposes by [S.I. 2011/701, art. 3\(2\)](#) (with art. 4) (see also [S.I. 2011/2401, art. 2\(2\)](#))
- I44** S. 103 in force at 31.10.2011 for specified purposes by [S.I. 2011/701, art. 3\(1\)](#) (with art. 4) (see also [S.I. 2011/2401, art. 2\(2\)](#))
- I45** S. 103 in force at 6.4.2019 for specified purposes by [2019 c. 1, Sch. 2 para. 31](#)

104 Supplementary

- (1) In sections 101 to 103—
“HMRC” means Her Majesty's Revenue and Customs;
“late payment interest” means interest payable under section 101;
“repayment interest” means interest payable under section 102;
“revenue” has the meaning given in section 5(4) of CRCA 2005.
- (2) A reference to the date on which an amount becomes due and payable is a reference to the date (however described) on or before which the amount must be paid.
- (3) Sections 101 to 103 come into force on such day as the Treasury may by order appoint.
- (4) An order under subsection (3)—
(a) may commence a provision generally or only for specified purposes, and
(b) may appoint different days for different provisions or for different purposes.
- (5) The Treasury may by order make any incidental, supplemental, consequential, transitional, transitory or saving provision which may appear appropriate in consequence of, or otherwise in connection with, those sections.

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- (6) An order under subsection (5) may include provision amending, repealing or revoking any provision of any Act or subordinate legislation whenever passed or made (including this Act and any Act amended by it).
- (7) An order under subsection (5) may make different provision for different purposes.
- (8) The following are to be made by statutory instrument—
 - (a) orders under section 101(2) or 102(2),
 - (b) regulations under section 103(1) or (2), and
 - (c) orders under subsection (3) or (5).
- (9) A statutory instrument containing—
 - (a) an order under section 101(2) or 102(2),
 - (b) regulations under section 103(1) or (2),
 - (c) an order under subsection (5) which includes provision amending or repealing any provision of an Act,is subject to annulment in pursuance of a resolution of the House of Commons.

105 Miscellaneous amendments

- (1) Section 239 of ITA 2007 (date from which interest is chargeable when EIS relief is withdrawn or reduced) is amended as follows.
- (2) In subsection (1)—
 - (a) for “in column 1 of the following table” substitute “ in subsection (2) ”,
 - (b) for “given by the corresponding entry in column 2 of the table” substitute “ 31 January next following the tax year for which the assessment is made ”, and
 - (c) omit the table.
- (3) For subsection (2) substitute—

“(2) The provisions are—
section 163,
section 164,
section 173A,
any of sections 181 to 188,
section 209,
section 212(1),
section 213,
section 224,
section 232, and
section 233.”
- (4) In the following provisions, for the words from “the same rate” to the end substitute “ the rate applicable under section 178 of the Finance Act 1989 ”
 - (a) section 48(1) of FA 1975 (interest on repayment of estate duty), and
 - (b) section 235(1) of IHTA 1984 (interest on overpaid inheritance tax).
- (5) In section 178(2) of FA 1989 (setting of rates of interest)—
 - (a) after paragraph (g) insert—

“(ga) section 48(1) of the Finance Act 1975,” and

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- (b) in paragraph (k), after “sections 233” insert “, 235(1)”.
- (6) The following provisions (which require HMRC to make an order specifying the new rate of interest when that rate is changed by operation of regulations) are omitted—
- (a) section 178(5) of FA 1989, and
 - (b) section 197(5) of FA 1996.

Penalties

106 Penalties for failure to make returns etc

- (1) Schedule 55 contains provision for imposing penalties on persons in respect of failures to make returns and other documents relating to liabilities for tax.
- (2) That Schedule comes into force on such day as the Treasury may by order appoint.
- (3) An order under subsection (2)—
 - (a) may commence a provision generally or only for specified purposes, and
 - (b) may appoint different days for different provisions or for different purposes.
- (4) The Treasury may by order make any incidental, supplemental, consequential, transitional, transitory or saving provision which may appear appropriate in consequence of, or otherwise in connection with, Schedule 55.
- (5) An order under subsection (4) may include provision amending, repealing or revoking any provision of any Act or subordinate legislation whenever passed or made (including this Act and any Act amended by it).
- (6) An order under subsection (4) may make different provision for different purposes.
- (7) An order under this section is to be made by statutory instrument.
- (8) A statutory instrument containing an order under subsection (4) which includes provision amending or repealing any provision of an Act is subject to annulment in pursuance of a resolution of the House of Commons.

Modifications etc. (not altering text)

- C33** S. 106(2) modified (15.9.2016) by Finance Act 2016 (c. 24), s. 113(17) (with s. 117)
- C34** S. 106(2) modified (6.4.2018) by Finance Act 2017 (c. 10), s. 61(1), Sch. 11 para. 4(4); S.I. 2018/464, art. 2(e)
- C35** S. 106(4) modified (15.9.2016) by Finance Act 2016 (c. 24), s. 113(17) (with s. 117)
- C36** S. 106(4) modified (6.4.2018) by Finance Act 2017 (c. 10), s. 61(1), Sch. 11 para. 4(4); S.I. 2018/464, art. 2(e)

107 Penalties for failure to pay tax

- (1) Schedule 56 contains provision for imposing penalties on persons in respect of failures to comply with obligations to pay tax.
- (2) That Schedule comes into force on such day as the Treasury may by order appoint.
- (3) An order under subsection (2)—

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- (a) may commence a provision generally or only for specified purposes, and
 - (b) may appoint different days for different provisions or for different purposes.
- (4) The Treasury may by order make any incidental, supplemental, consequential, transitional, transitory or saving provision which may appear appropriate in consequence of, or otherwise in connection with, Schedule 56.
- (5) An order under subsection (4) may include provision amending, repealing or revoking any provision of any Act or subordinate legislation whenever passed or made (including this Act and any Act amended by it).
- (6) An order under subsection (4) may make different provision for different purposes.
- (7) An order under this section is to be made by statutory instrument.
- (8) A statutory instrument containing an order under subsection (4) which includes provision amending or repealing any provision of an Act is subject to annulment in pursuance of a resolution of the House of Commons.

Modifications etc. (not altering text)

C37 S. 107(2) modified (6.4.2018) by [Finance Act 2017 \(c. 10\)](#), s. 61(1), [Sch. 11 para. 5\(3\)](#); S.I. 2018/464, art. 2(e)

C38 S. 107(4) modified (6.4.2018) by [Finance Act 2017 \(c. 10\)](#), s. 61(1), [Sch. 11 para. 5\(3\)](#); S.I. 2018/464, art. 2(e)

108 Suspension of penalties during currency of agreement for deferred payment

- (1) This section applies if—
- (a) a person (“P”) fails to pay an amount of tax falling within the Table in subsection (5) when it becomes due and payable,
 - (b) P makes a request to an officer of Revenue and Customs that payment of the amount of tax be deferred, and
 - (c) an officer of Revenue and Customs agrees that payment of that amount may be deferred for a period (“the deferral period”).
- (2) P is not liable to a penalty for failing to pay the amount mentioned in subsection (1) if—
- (a) the penalty falls within the Table, and
 - (b) P would (apart from this subsection) become liable to it between the date on which P makes the request and the end of the deferral period.
- (3) But if—
- (a) P breaks the agreement (see subsection (4)), and
 - (b) an officer of Revenue and Customs serves on P a notice specifying any penalty to which P would become liable apart from subsection (2),
- P becomes liable, at the date of the notice, to that penalty.
- (4) P breaks an agreement if—
- (a) P fails to pay the amount of tax in question when the deferral period ends, or

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- (b) the deferral is subject to P complying with a condition (including a condition that part of the amount be paid during the deferral period) and P fails to comply with it.

(5) The taxes and penalties referred to in subsections (1) and (2) are—

Tax	Penalty
F37	F37
...	...
Value added tax	Surcharge under section 59(4) or 59A(4) of VATA 1994 F38
	...
Aggregates levy	Penalty interest under paragraph 5 of Schedule 5 to FA 2001
Climate change levy	Penalty interest under paragraph 82 of Schedule 6 to FA 2000
Landfill tax	Penalty interest under paragraph 27(2) of Schedule 5 to FA 1996
Insurance premium tax	Penalty under paragraph 15(2) or (3) of Schedule 7 to FA 1994 which is payable by virtue of paragraph 15(1)(a) of that Schedule.
Any duty of excise	Penalty under section 9(2) or (3) of FA 1994 which is imposed for a failure to pay an amount of any duty of excise or an amount payable on account of any such duty.

- (6) If the agreement mentioned in subsection (1)(c) is varied at any time by a further agreement between P and an officer of Revenue and Customs, this section applies from that time to the agreement as varied.
- (7) The Treasury may by order amend the Table by adding or removing a tax or a penalty.
- (8) An order under subsection (7) is to be made by statutory instrument.
- (9) A statutory instrument containing an order under subsection (7) is subject to annulment in pursuance of a resolution of the House of Commons.
- (10) In this section, except in the entries in the Table, “penalty” includes surcharge and penalty interest.
- (11) This section has effect where the agreement mentioned in subsection (1)(c) is made on or after 24 November 2008.

Textual Amendments

F37 Words in s. 108(5) omitted (1.4.2011) by virtue of [The Finance Act 2009, Schedules 55 and 56 \(Income Tax Self Assessment and Pension Schemes\) \(Appointed Days and Consequential and Savings Provisions\) Order 2011 \(S.I. 2011/702\)](#), arts. 1(1), **15(b)** (with arts. 20, 22)

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F38 Words in s. 108(5) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 117](#) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), regs. 1(2), 21), [S.I. 2020/1545](#), Pt. 4 and [2020 c. 26](#), [Sch. 2 para. 7\(7\)-\(9\)](#)); [S.I. 2020/1642](#), reg. 4(b) (with reg. 7)

Modifications etc. (not altering text)

- C39** S. 108 applied (with modifications) by [S.I. 2005/2045](#), reg. 48(8) (as inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [Income Tax \(Construction Industry Scheme\) \(Amendment\) Regulations 2009 \(S.I. 2009/2030\)](#), regs. 1(2), **2(2)**)
- C40** S. 108 applied (with modifications) by [S.I. 2003/2682](#), reg. 203(8) (as inserted (with effect in accordance with reg. 1(3) of the amending S.I.) by [The Income Tax \(Pay As You Earn\) \(Amendment No. 2\) Regulations 2009 \(S.I. 2009/2029\)](#), regs. 1(2), 4)
- C41** S. 108 applied (with modifications) by [S.I. 2001/1004](#), reg. 90K(8) (as inserted (with effect in accordance with reg. 1(3) of the amending S.I.) by [Social Security \(Contributions\) \(Amendment No.4\) Regulations 2009 \(S.I. 2009/2028\)](#), regs. 1(2), 3)

109 Miscellaneous amendments

Schedule 57 contains amendments of Schedule 24 to FA 2007 (penalties for errors), Schedule 41 to FA 2008 (penalties for failure to notify and certain other wrongdoing) and certain other enactments relating to penalties.

Miscellaneous

110 Recovery of debts using PAYE regulations

Schedule 58 contains provision about the recovery of debts by means of deductions from PAYE income in accordance with PAYE regulations.

^{F39}**111 Managed payment plans**

Textual Amendments

F39 [S. 111](#) 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. 7 para. 84](#), **10 Pt. 12** (with [Sch. 9 paras. 1-9, 22](#))

112 Customs and excise enforcement: movements between member States

(1) Section 4 of F(No.2)A 1992 (cases in which customs and excise enforcement powers can be used in relation to movement of persons or things between member States) is amended as follows.

(2) In subsection (1), after “subsection” insert “ (1A) or ”.

(3) After that subsection insert—

“(1A) The first case in which a power to which this section applies may be exercised as mentioned in subsection (1) above is where it is necessary to exercise the

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power in order to ascertain whether the movement in question is or is not in fact between different member States.”

- (4) In subsection (2), for the words from the beginning to “or that” substitute “The second case in which a power to which this section applies may be exercised as mentioned in subsection (1) above is where”.

PART 8

MISCELLANEOUS

Gambling

113 VAT exemption for gaming participation fees

- (1) Group 4 of Schedule 9 to VATA 1994 (exemptions: betting, gaming and lotteries) is amended as follows.
- (2) In Note (1), omit paragraph (b) (granting of right to play game of chance not exempted unless within Note (5)).
- (3) Omit Notes (5) to (11).
- (4) The Value Added Tax (Betting, Gaming and Lotteries) Order 2007 (S.I. 2007/2163) is revoked.
- (5) Omit—
 - (a) in BGDA 1981, sections 19(3)(b) and 26E(2), and
 - (b) in FA 1997, section 11(9)(a).
- (6) The amendments made by this section are treated as having come into force on 27 April 2009.

114 Gaming duty

- (1) FA 1997 is amended as follows.
- (2) Section 10 (gaming duty) is amended as follows.
- (3) For subsection (2) substitute—

“(2) Subject as follows, this section applies to—

 - (a) casino games, and
 - (b) equal chance gaming.”
- (4) In subsection (3)(e), after “Article” insert “ 77, ”.
- (5) After subsection (3A) insert—

“(3AA) This section does not apply to the playing of a game in respect of which bingo duty or lottery duty is chargeable or would be chargeable but for an express exception.”
- (6) In subsection (3C)(a), after “in” insert “ organising or ”.

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(7) For subsection (4) substitute—

“(4) This section does not apply—

- (a) in Great Britain, to the playing of a game where the provision of facilities for its playing falls within section 269 of the Gambling Act 2005 (equal chance gaming at members' or commercial clubs and miners' welfare institutes), or
- (b) in Northern Ireland, to the playing of a game to which Article 128 of the Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985 (certain clubs) applies.”

(8) In subsection (5), for “add to the games mentioned in subsection (2) above” substitute “provide that any specified game is or is not to be a casino game or equal chance gaming for the purposes of this section”.

(9) In subsection (6), for “this section, or in an order under subsection (5) above,” substitute “an order under subsection (5) above”.

(10) Section 14 (subordinate legislation) is amended as follows.

(11) In subsection (2), for “or 11(11) above” substitute “providing that any game is to be a casino game or equal chance gaming or any order under section 11(11)”.

(12) Insert at the end—

“(4) A statutory instrument containing an order under section 10(5) that does not provide for any game to be a casino game or equal chance gaming is subject to annulment in pursuance of a resolution of the House of Commons.”

(13) Section 15(3) (interpretation) is amended as follows.

(14) After the definition of “accounting period” insert—

““casino games” means games of chance which are not equal chance gaming (but subject to any order under section 10(5));”.

(15) After the definition of “dutiable gaming” insert—

““equal chance gaming”—

- (a) in Great Britain, means gaming which does not involve playing or staking against a bank (however described, and whether or not controlled or administered by a player) and in which the chances are equally favourable to all participants, and
- (b) in Northern Ireland, means gaming in respect of which none of the conditions specified in Article 55 of the Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985 is met,

(but subject to any order under section 10(5));”.

(16) In consequence of the preceding provisions, omit—

- (a) in FA 2002, section 11, and
- (b) in FA 2007, in Schedule 25, paragraph 17(4).

(17) The amendments made by this section are to be treated as having come into force on 27 April 2009.

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- (18) But those amendments do not give rise to a duty under paragraph 6(3)(a) of Schedule 1 to FA 1997 (requirement to notify premises) before 25 May 2009.

115 Remote bingo etc

- (1) BGDA 1981 is amended as follows.
- (2) In section 17 (bingo duty), after subsection (2) insert—
- “(2A) Bingo duty is not charged on the playing of bingo which is not licensed bingo if remote gaming duty is charged on the provision of facilities for playing it.”
- (3) In section 26H (remote gaming duty: exemptions), after subsection (2) insert—
- “(2A) Subsection (2) does not prevent remote gaming duty being charged in respect of the provision of facilities for the playing of bingo which is not licensed bingo (as to the meaning of which terms see section 20C).”
- (4) The amendments made by this section have effect in relation to games of bingo that begin to be played on or after 1 July 2009.

116 Meaning of “gaming machine” and “gaming”

- (1) BGDA 1981 is amended as follows.
- (2) Section 25 (meaning of “amusement machine”) is amended as follows.
- (3) For subsection (1A) substitute—
- “(1A) In this Act “gaming machine” means a machine which is designed or adapted for use by individuals for gambling (whether or not it can also be used for other purposes).
- (1B) But a machine is not a gaming machine to the extent that—
- (a) it is designed or adapted for use to bet on future real events,
- (b) it is designed or adapted for the playing of bingo and bingo duty is, or but for paragraphs 1 to 5 of Schedule 3 would be, charged under section 17 on the playing of the bingo, or
- (c) it is designed or adapted for the playing of a real game of chance and the playing of the game is dutiable gaming for the purposes of section 10 of the Finance Act 1997, or would be dutiable gaming but for subsections (3) and (4) of that section.”
- (4) In subsection (1C), for “constructed” substitute “designed”.
- (5) Insert at the end—
- “(5) For the purposes of this section—
- (a) a reference to gambling is to—
- (i) gaming, or
- (ii) betting,
- (b) “machine” has the same meaning as in the Gambling Act 2005 (see section 235(3)(a)),

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- (c) a reference to a machine being designed or adapted for a purpose includes a reference to a machine to which anything has been done as a result of which it can reasonably be expected to be used for that purpose,
 - (d) a reference to a machine being adapted includes a reference to computer software being installed on it,
 - (e) “real” has the meaning given by section 353(1) of the Gambling Act 2005,
 - (f) “game of chance” has the meaning given by section 6(2) of that Act, and
 - (g) “bingo” includes any version of that game, whatever name it is called.
- (6) The Treasury may by order amend this section.”
- (6) In section 33 (interpretation)—
- (a) in subsection (1), in the definition of “gaming”, omit “within the meaning of Group 4 of Schedule 9 to the Value Added Tax Act 1994”, and
 - (b) after that subsection insert—
- “(1A) In the definition of “gaming” in subsection (1)—
- (a) “game of chance” has the meaning given by section 6(2) of the Gambling Act 2005,
 - (b) “playing a game of chance” is to be read in accordance with section 6(3) of that Act, and
 - (c) “prize” does not include the opportunity to play the game again.”

Climate change levy

117 Taxable commodities ineligible for reduced-rate supply

- (1) Schedule 6 to FA 2000 (climate change levy) is amended as follows.
 - (2) In paragraph 44 (reduced rate for supplies covered by climate change agreement), after sub-paragraph (2) insert—
- “(2A) The Secretary of State may—
- (a) give a certificate that includes provision specifying one or more descriptions of taxable commodity as being ineligible for reduced-rate supply,
 - (b) vary a certificate so that it includes provision (or further provision) specifying one or more descriptions of taxable commodity as being ineligible for reduced-rate supply, or
 - (c) vary a certificate so that it ceases to include the provision (or some of the provision) specifying one or more descriptions of taxable commodity as being ineligible for reduced-rate supply.
- (2B) A taxable supply of a taxable commodity to a facility is not a reduced-rate supply if, at the time of the supply, the commodity falls within a description that is specified (by virtue of sub-paragraph (2A)(a) or (b)) in the certificate relating to the facility.

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- (2C) The Secretary of State may only include provision in a certificate by virtue of sub-paragraph (2A)(a) or (b)—
- (a) if the Treasury consents in writing to the specification before the specification is made, and
 - (b) if, and for as long as, the result is compatible with the common market by virtue of Commission Regulation (EC) No. 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty establishing the European Community (General block exemption Regulation) (O.J. 2008 No. L214/3).
- (2D) In sub-paragraphs (2A) to (2C) “certificate” means such a certificate as is mentioned in sub-paragraph (1)(a).”
- (3) In consequence of subsection (2)—
- (a) in paragraph 44(2), after “subject to” insert “ sub-paragraphs (2A) to (2D) and ”, and
 - (b) in paragraph 147 (general interpretation), in the definition of “reduced-rate supply”, after “subject to” insert “ paragraph 44(2A) to (2D) and ”.

118 Removal of reduced rate where targets not met

- (1) Schedule 59 contains provision for removing the reduced rate of climate change levy where the targets set by a climate change agreement have not been met.
- (2) The amendments made by that Schedule have effect where the certification period begins on or after 1 April 2009.

Other environmental taxes and duties

119 Landfill tax: prescribed landfill site activities

Schedule 60 contains provision about charging landfill tax on prescribed activities at landfill sites.

120 Requirement to destroy replaced vehicle registration documents

In section 22(1) of VERA 1994 (registration regulations), after paragraph (h) insert—

“(ha) require the destruction of a registration document where a new registration document is issued in place of it”.

121 Hydrocarbon oil duties: minor amendments

- (1) HODA 1979 is amended as follows.
- (2) In section 11(1) (rebate on heavy oil), omit “12”.
- (3) In section 14D(2) (civil penalty for supplying biodiesel or bioblend intending that it will be put to prohibited use), for “intending” substitute “ having reason to believe ”.
- (4) The amendment made by subsection (3) has effect in relation to supplies on or after the day on which this Act is passed.

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Other matters

122 Inheritance tax: agricultural property and woodlands relief for EEA land

- (1) Part 5 of IHTA 1984 (miscellaneous reliefs) is amended as follows.
- (2) In section 115 (agricultural property relief: preliminary), in subsection (3), insert at the end “(or, in the case of property outside the United Kingdom, the Channel Islands and the Isle of Man, if it were subject to provisions equivalent in effect to such a covenant).”
- (3) For subsection (5) of that section substitute—
 - “(5) This Chapter applies to agricultural property only if it is in—
 - (a) the United Kingdom, the Channel Islands or the Isle of Man, or
 - (b) a state, other than the United Kingdom, which is an EEA state (within the meaning given by Schedule 1 to the Interpretation Act 1978) at the time of the transfer of value in question.”
- (4) In section 116 (agricultural property relief: the relief), insert at the end—
 - “(8) In its application to property outside the United Kingdom, the Channel Islands and the Isle of Man, this section has effect as if any reference to a right or obligation under the law of any part of the United Kingdom were a reference to an equivalent right or obligation under the law governing dispositions of that property.”
- (5) In section 125 (woodlands relief), in paragraph (a) of subsection (1), omit “in the United Kingdom”.
- (6) After that subsection insert—
 - “(1A) But this section applies only if the land is in the United Kingdom or another state which is an EEA state (within the meaning given by Schedule 1 to the Interpretation Act 1978) at the time of the person's death.”
- (7) The amendments made by this section have effect in relation to transfers of value where the tax payable but for this section (or, in the case of tax payable by instalments, the last instalment of that tax)—
 - (a) would have been due on or after 22 April 2009, or
 - (b) was paid or due on or after 23 April 2003.
- (8) Where tax falling within subsection (7) has been paid, Her Majesty's Revenue and Customs must repay the tax (together with interest under section 235(1) of IHTA 1984) if, but only if, a claim for repayment is made on or before—
 - (a) the date determined under section 241(1) of that Act as the last date on which the claim may be made, or
 - (b) 21 April 2010,whichever is later.
- (9) Where, by virtue of the amendments made by subsections (5) and (6), an election is made under section 125 of IHTA 1984, that election must be made on or before—
 - (a) the date determined under section 125(3) as the last date on which the election may be made, or
 - (b) 21 April 2010,

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whichever is later.

123 Alternative finance investment bonds

Schedule 61 contains provision about the taxation of chargeable gains, stamp duty land tax and capital allowances for and in connection with arrangements [^{F40}to which section 564G of ITA 2007 or section 151N of TCGA 1992 (investment bond arrangements) applies].

Textual Amendments

F40 Words in s. 123 substituted (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. 228** (with Sch. 9 paras. 1-9, 22)

124 Mutual societies: tax consequences of transfers of business etc

- (1) The Treasury may by regulations make provision for and in connection with—
 - (a) the tax consequences of a transfer of all or part of the business or engagements of a mutual society,
 - (b) the tax consequences of an amalgamation of mutual societies, and
 - (c) the tax consequences of the conversion of a mutual society into a company.
- (2) “Mutual society” means—
 - (a) a building society incorporated (or deemed to be incorporated) under the Building Societies Act 1986,
 - (b) a friendly society within the meaning of the Friendly Societies Act 1992, or
 - [^{F41}(c) a registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014.]
- (3) Regulations under this section may, in particular, make provision about—
 - (a) relief from tax in respect of losses,
 - (b) capital allowances,
 - (c) the taxation of chargeable gains (including provision conferring relief for specified transfers and amalgamations),
 - (d) the treatment of intangible fixed assets and goodwill,
 - (e) the treatment of loan relationships (and matters treated as loan relationships),
 - (f) the treatment of derivative contracts (and contracts treated as derivative contracts),
 - (g) exemption or other relief from stamp duty, stamp duty reserve tax or stamp duty land tax, and
 - (h) the treatment of arrangements the purpose, or one of the main purposes, of which is to secure a tax advantage.
- (4) Regulations under this section may, in particular—
 - (a) modify enactments and instruments relating to tax (whenever passed or made),
 - (b) make different provision for different cases or different purposes, and
 - (c) make incidental, consequential or transitional provision (including provision modifying enactments and instruments, whenever passed or made).

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- (5) Regulations under this section may include provision having effect in relation to any time before they are made if the provision does not increase any person's liability to tax.
- (6) Regulations under this section are to be made by statutory instrument.
- (7) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of the House of Commons.
- (8) In this section—
 - “arrangements” includes any arrangements, scheme or understanding of any kind, whether or not legally enforceable and whether involving a single transaction or two or more transactions;
 - “company” means a company formed and registered under the Companies Act 2006 (or treated as formed and registered under that Act);
 - “derivative contract” has the same meaning as in Part 7 of CTA 2009 (see section 576 of that Act);
 - “goodwill” and “intangible fixed asset” have the same meaning as in Part 8 of CTA 2009 (see sections 713 and 715 of that Act);
 - “loan relationship” has the same meaning as in the Corporation Tax Acts (see section 302(1) and (2) of CTA 2009);
 - “modify” includes amend, repeal or revoke;
 - “tax” includes stamp duty;
 - “tax advantage” means—
 - (a) a relief from tax (including a tax credit) or increased relief from tax,
 - (b) a repayment of tax or increased repayment of tax,
 - (c) the avoidance, reduction or delay of a charge to tax or an assessment to tax, or
 - (d) the avoidance of a possible assessment to tax.

Textual Amendments

F41 S. 124(2)(c) substituted (1.8.2014) by [Co-operative and Community Benefit Societies Act 2014](#) (c. 14), s. 154, [Sch. 4 para. 147](#) (with [Sch. 5](#))

125 National Savings ordinary accounts: surplus funds

- (1) As soon as practicable after the passing of this Act—
 - (a) the Director of Savings and the Commissioners must prepare a statement showing the relevant surplus, and
 - (b) the Commissioners must pay the relevant surplus into the Consolidated Fund.
- (2) The relevant surplus is the amount held by the Commissioners by virtue of section 17 of the 1971 Act (including any such amount held in investments), less the aggregate of—
 - (a) such sums as the Treasury may determine to be equal to those expended by the Director of Savings in connection with ordinary accounts,
 - (b) such sums as are necessary to defray the expenses incurred by the Commissioners in connection with ordinary accounts, and

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- (c) such sums as are required to be paid into the Consolidated Fund by virtue of section 20 of the 1971 Act.
- (3) The Commissioners—
- (a) must pay into the Consolidated Fund the sums determined in accordance with subsection (2)(a), and
 - (b) may retain the sums determined in accordance with subsection (2)(b).
- (4) As soon as practicable after preparing a statement under subsection (1), the Director of Savings and the Commissioners must transmit the statement to the Comptroller and Auditor General who must—
- (a) examine, certify and make a report on it, and
 - (b) lay copies of the statement, together with copies of that report, before Parliament.
- (5) The Treasury may by order repeal or otherwise amend any enactment if the repeal or amendment appears to the Treasury to be necessary or expedient in consequence of—
- (a) the closure of ordinary accounts and the transfer of their balances to other accounts (see, in particular, regulations 2B to 2BB of the National Savings Bank Regulations 1972 (S.I. 1972/764)), or
 - (b) this section.
- (6) An order under subsection (5) is to be made by statutory instrument.
- (7) No order may be made under subsection (5) unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, the House of Commons.
- (8) In this section—
- (a) a reference to sums expended or expenses incurred in connection with ordinary accounts includes a reference to sums expended or expenses incurred in connection with the holding of amounts by virtue of section 17 of the 1971 Act (including their holding in investments), and
 - (b) expressions used in this section and in the 1971 Act have the same meaning in this section as in that Act.
- (9) In this section—
- “the 1971 Act” means the National Savings Bank Act 1971;
- “enactment” includes—
- (a) an enactment contained in the 1971 Act, and
 - (b) subordinate legislation (which has the same meaning as in the Interpretation Act 1978).

PART 9

FINAL PROVISIONS

126 Interpretation

- (1) In this Act—
- “ALDA 1979” means the Alcoholic Liquor Duties Act 1979,

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“BGDA 1981” means the Betting and Gaming Duties Act 1981,
“CAA 2001” means the Capital Allowances Act 2001,
“CRCA 2005” means the Commissioners for Revenue and Customs Act 2005,
“CTA 2009” means the Corporation Tax Act 2009,
[^{F42}“CTA 2010” means the Corporation Tax Act 2010,]
“FISMA 2000” means the Financial Services and Markets Act 2000,
“HODA 1979” means the Hydrocarbon Oil Duties Act 1979,
“ICTA” means the Income and Corporation Taxes Act 1988,
“IHTA 1984” means the Inheritance Tax Act 1984,
“ITA 2007” means the Income Tax Act 2007,
“ITEPA 2003” means the Income Tax (Earnings and Pensions) Act 2003,
“ITTOIA 2005” means the Income Tax (Trading and Other Income) Act 2005,
“OTA 1975” means the Oil Taxation Act 1975,
“OTA 1983” means the Oil Taxation Act 1983,
“PRTA 1980” means the Petroleum Revenue Tax Act 1980,
“TCGA 1992” means the Taxation of Chargeable Gains Act 1992,
[^{F43}“TIOPA 2010” means the Taxation (International and Other Provisions) Act 2010,]
“TMA 1970” means the Taxes Management Act 1970,
“TPDA 1979” means the Tobacco Products Duty Act 1979,
“VATA 1994” means the Value Added Tax Act 1994, and
“VERA 1994” means the Vehicle Excise and Registration Act 1994.

(2) In this Act—

“FA”, followed by a year, means the Finance Act of that year, and
“F(No.2)A”, followed by a year, means the Finance (No.2) Act of that year.

(3) In the tables in Part 1 of Schedule 1 to CAA 2001, Part 1 of Schedule 1 to ITEPA 2003 and Part 1 of Schedule 4 to ITTOIA 2005, at the beginning insert—

“FA followed by a year	The Finance Act of that year
F(No.2)A followed by a year	The Finance (No.2) Act of that year.”

(4) Omit all of the entries in those tables relating to a Finance Act or a Finance (No.2) Act.

(5) In the following provisions, for “the Finance Act” substitute “FA”

- (a) in CAA 2001, sections 70G(5), 70H(3) (in both places), 70O(4)(b), 105(2A), 186(3) and (5) (as amended by paragraph 5 of Schedule 27 to FA 2008), 257(2)(a), 360B(2)(a) and 360C(2)(b) and paragraph 105(2) of Schedule 3, and
- (b) in ITEPA 2003, sections 420(1)(h) and 702(5B), paragraph 78(2)(b) of Schedule 2 and paragraph 54 of Schedule 7.

(6) Accordingly, omit—

- (a) in FA 2004, in Schedule 35, paragraphs 49 and 65(2),
- (b) in F(No.2)A 2005, section 10(7),
- (c) in FA 2006, section 84(4), and
- (d) in FA 2008, in Schedule 25, paragraph 6.

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Textual Amendments

- F42** Words in s. 126(1) 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. 712** (with Sch. 2)
- F43** Words in s. 126(1) 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. 332** (with Sch. 9 paras. 1-9, 22)

127 Short title

This Act may be cited as the Finance Act 2009.

Status:

Point in time view as at 06/12/2022.

Changes to legislation:

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