



# Finance Act 1988

## 1988 CHAPTER 39

### PART III

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER I

#### GENERAL

##### *Tax rates and personal reliefs*

#### <sup>F1</sup>**23 Charge and basic rate of income tax for 1988-89.**

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##### **Textual Amendments**

**F1** Ss. 23-25 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

#### <sup>F1</sup>**24 Higher and additional rates of income tax.**

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##### **Textual Amendments**

**F1** Ss. 23-25 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

#### <sup>F1</sup>**25 Personal reliefs.**

.....

*Changes to legislation: There are currently no known outstanding effects  
 for the Finance Act 1988, Part III. (See end of Document for details)*

#### Textual Amendments

**F1** Ss. 23-25 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

### 26 Charge and rate of corporation tax for financial year 1988.

Corporation tax shall be charged for the financial year 1988 at the rate of 35 per cent.

### 27 Corporation tax: small companies.

- (1) For the financial year 1988 the small companies rate shall be 25 per cent.
- (2) For the financial year 1988 the fraction mentioned in section 13(2) of the Taxes Act 1988, and in section 95(2) of the <sup>M1</sup>Finance Act 1972, (marginal relief for small companies) shall be one fortieth.

#### Marginal Citations

**M1** 1972 c. 41.

**F2** 28 .....

#### Textual Amendments

**F2** S. 28 repealed (6.8.1999 with effect as mentioned in Sch. 29 Pt. VIII(21) notes 4, 5 of the amending Act) by [1995 c. 4](#), s. 162, [Sch. 20 Pt. VIII\(21\)](#); [S.I. 1999/2156](#), [art. 2\(b\)](#)

### 29 Life assurance premium relief.

- (1) In sections 266(5)(a) and 274(3)(a) of the Taxes Act 1988, and in paragraph 3(3)(a) of Schedule 14 to that Act, (rate of relief on premiums on life policies etc.) for the words “15 per cent.” wherever they occur there shall be substituted the words “ 12.5 per cent. ”.
- (2) This section shall have effect on and after 6th April 1989.

**F3** 30 .....

#### Textual Amendments

**F3** S. 30 repealed (27.7.1999 with effect for the year 2000-01 and subsequent years of assessment) by [1999 c. 16](#), s. 139, [Sch. 20 Pt. III\(4\)](#), note

### **F4** 31 Non-residents’ personal reliefs.

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*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)

#### Textual Amendments

**F4** [S. 31](#) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), [Sch. 1 Pt. 10](#) Group 1

### *Married couples*

## **32 Abolition of aggregation of income.**

Section 279 of the Taxes Act 1988 (which treats the income of a woman living with her husband as his income for income tax purposes) shall not have effect for the year 1990-91 or any subsequent year of assessment.

## **<sup>F5</sup>33 Personal allowance and married couple's allowance.**

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#### Textual Amendments

**F5** [S. 33](#) omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 6\(b\)](#)

## **<sup>F6</sup>34 Jointly held property.**

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#### Textual Amendments

**F6** [S. 34](#) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

## **35 Minor and consequential provisions.**

Schedule 3 to this Act (which makes provision consequential on sections 32 and 33 above and other minor amendments relating to the treatment for income tax purposes of husbands, wives, widowers and widows) shall have effect.

### *Annual payments*

## **36 Annual payments.**

<sup>F7</sup>(1) .....

<sup>F8</sup>(2) .....

<sup>F8</sup>(3) .....

<sup>F8</sup>(4) .....

<sup>F8</sup>(5) .....

<sup>F8</sup>(5A) .....

*Changes to legislation: There are currently no known outstanding effects  
 for the Finance Act 1988, Part III. (See end of Document for details)*

<sup>F8</sup>(6) .....

**Textual Amendments**

**F7** S. 36(1) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), **Sch. 27 Pt. 2(3)**

**F8** S. 36(2)-(6) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

**Modifications etc. (not altering text)**

**C1** S. 36(3) excluded (27.7.1999 with effect in relation to any payment falling due on or after 6.4.2000) by 1999 c. 16, s. 36(7)(8)

<sup>F9</sup>**37 Maintenance payments under existing obligations:**

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**Textual Amendments**

**F9** S. 37 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

<sup>F10</sup>**38 Maintenance payments under existing obligations:**

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**Textual Amendments**

**F10** S. 38 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

<sup>F11</sup>**39** .....

**Textual Amendments**

**F11** S. 39 repealed (27.7.1999 with effect in relation to any payment falling due on or after 6.4.2000) by 1999 c. 16, s. 139, **Sch. 20 Pt. III(6)**, note

<sup>F12</sup>**40 Provisions supplementary to sections 37 to 39.**

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**Textual Amendments**

**F12** S. 40 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

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*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)

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### *Relief for interest*

#### **41 Qualifying maximum for loans.**

For the year 1988-89 the qualifying maximum defined in section 367(5) of the Taxes Act 1988 (limit on relief for interest on certain loans) shall be £30,000.

<sup>F13</sup> **42** .....

#### **Textual Amendments**

**F13** [S. 42](#) repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. III(7) note 4 of the amending Act) by 1999 c. 16, s. 139, [Sch. 20 Pt. III\(7\)](#)

<sup>F14</sup> **43** .....

#### **Textual Amendments**

**F14** [S. 43](#) repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. III(7) note 4 of the amending Act) by 1999 c. 16, s. 139, [Sch. 20 Pt. III\(7\)](#)

<sup>F15</sup> **44** .....

#### **Textual Amendments**

**F15** [S. 44](#) repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. III(7) note 4 of the amending Act) by 1999 c. 16, s. 139, [Sch. 20 Pt. III\(7\)](#)

### *Benefits in kind*

#### **45 Car benefits.**

- (1) In Schedule 6 to the Taxes Act 1988 (taxation of directors and others in respect of cars) for Part I (tables of flat rate cash equivalents) there shall be substituted—

#### **“PART I**

#### **TABLES OF FLAT RATE CASH EQUIVALENTS**

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

Table A

**CARS WITH AN ORIGINAL MARKET VALUE UP TO £19,250 AND HAVING A CYLINDER CAPACITY**

<b><i>Cylinder capacity of car in cubic centimetres</i></b>	<b><i>Age of car at end of relevant year of assessment</i></b>	
	<b><i>Under 4 years</i></b>	<b><i>4 years or more</i></b>
1400 or less	£1,050	£700
More than 1400 but not more than 2000	£1,400	£940
More than 2000	£2,200	£1,450

Table B

**CARS WITH AN ORIGINAL MARKET VALUE UP TO £19,250 AND NOT HAVING A CYLINDER CAPACITY**

<b><i>Original market value of car</i></b>	<b><i>Age of car at end of relevant year of assessment</i></b>	
	<b><i>Under 4 years</i></b>	<b><i>4 years or more</i></b>
Less than £6,000	£1,050	£700
£6,000 or more but less than £8,500	£1,400	£940
£8,500 or more but not more than £19,250	£2,200	£1,450

Table C

**CARS WITH AN ORIGINAL MARKET VALUE OF MORE THAN £19,250**

<b><i>Original market value of car</i></b>	<b><i>Age of car at end of relevant year of assessment</i></b>	
	<b><i>Under 4 years</i></b>	<b><i>4 years or more</i></b>
More than £19,250 but not more than £29,000	£2,900	£1,940
More than £29,000	£4,600	£3,060"

(2) This section shall have effect for the year 1988-89 and subsequent years of assessment.

<sup>F16</sup>**46 Car parking facilities.**

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

### Textual Amendments

**F16** S. 46 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

## 47 Entertainment: non-cash vouchers.

<sup>F17</sup>(1) . . . . .

- (2) In subsection (1) of section 36 of the <sup>M2</sup>Finance (No. 2) Act 1975 (vouchers other than cash vouchers), for the words “Subject to subsection (2) below” there shall be substituted the words “ Subject to the provisions of this section ”.
- (3) The provision set out in subsection (1) above shall be inserted after subsection (3A) of that section as subsection (3B) with the substitution—
  - (a) for the reference to section 839 of the Taxes Act 1988 of a reference to section 533 of the Taxes Act 1970; and
  - (b) for any reference to a non-cash voucher of a reference to a voucher.
- (4) The amendment made by subsection (1) above shall have effect for the year 1988-89 and subsequent years of assessment; and the amendments made by subsections (2) and (3) above shall have effect for the year 1987-88.

### Textual Amendments

**F17** S. 47(1) repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

### Marginal Citations

**M2** 1975 c. 45.

## 48 Entertainment: credit-tokens.

<sup>F18</sup>(1) . . . . .

- (2) The provision set out in subsection (1) above shall be inserted after subsection (3) of section 36A of the <sup>M3</sup>Finance (No. 2) Act 1975 (credit-tokens) as subsection (3A) with the substitution for the reference to section 839 of the Taxes Act 1988 of a reference to section 533 of the Taxes Act 1970.
- (3) The amendment made by subsection (1) above shall have effect for the year 1988-89 and subsequent years of assessment; and the amendment made by subsection (2) above shall have effect for the year 1987-88.

### Textual Amendments

**F18** S. 48(1) repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

### Marginal Citations

**M3** 1975 c. 45.

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

#### 49 Entertainment of directors and higher-paid employees.

<sup>F19</sup>(1) .....

(2) The provision set out in subsection (1) above shall be added at the end of section 62 of the <sup>M4</sup>Finance Act 1976 as subsection (9) with the substitution—

- (a) for the reference to section 154 of the Taxes Act 1988 of a reference to section 61 of the 1976 Act; and
- (b) for the reference to section 839 of the Taxes Act 1988 of a reference to section 533 of the Taxes Act 1970.

(3) The amendment made by subsection (1) above shall have effect for the year 1988-89 and subsequent years of assessment; and the amendment made by subsection (2) above shall have effect for the year 1987-88.

##### Textual Amendments

**F19** S. 49(1) repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

##### Marginal Citations

**M4** 1976 c. 40.

#### *Business expansion scheme*

<sup>F20</sup>**50** .....

##### Textual Amendments

**F20** S. 50 repealed (3.5.1994 with effect on 1.1.1994 as mentioned in Sch. 26 Pt. V(17) of the repealing Act) by [1994 c. 9](#), s. 258, [Sch. 26 Pt. V\(17\)](#), note

#### 51 Restriction of relief.

(1) The Taxes Act 1988 shall have effect, and be deemed always to have had effect, with the following amendments, namely—

- (a) in section 289(12)(b), the substitution of the words “sections 290A, 293” for the words “ sections 293 ”; and
- (b) the insertion after section 290 of the following section—

##### **“290A Restriction of relief where amounts raised exceed permitted maximum.**

(1) Where—

- (a) a company raises any amount through the issue of eligible shares after 15th March 1988; and
- (b) the aggregate of that amount and of all other amounts (if any) so raised within the period mentioned in subsection (2) below exceeds £500,000,



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**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)

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the relief shall not be given in respect of the excess.

- (2) The period referred to in subsection (1) above is—
- (a) the period of 6 months ending with the date of the issue of the shares; or
  - (b) the period beginning with the preceding 6th April and ending with the date of that issue,
- whichever is the longer.
- (3) In determining the aggregate mentioned in subsection (1) above, no account shall be taken of any amount—
- (a) which is subscribed by a person other than an individual who qualifies for relief; or
  - (b) as respects which relief is precluded by section 290 or this section.
- (4) Where—
- (a) at any time within the relevant period, the company in question or any of its subsidiaries carries on any trade or part of a trade in partnership, or as a party to a joint venture, with one or more other persons; and
  - (b) that other person, or at least one of those other persons, is a company,

the reference to £500,000 in subsection (1) above shall have effect as if it were a reference to—

$$\frac{£500,000}{1+A},$$

where A is the total number of companies (apart from the company in question or any of its subsidiaries) which, during the relevant period, are members of any such partnership or parties to any such joint venture.

- (5) Where this section precludes the giving of relief on claims in respect of shares issued to two or more individuals, the available relief shall be divided between them in proportion to the amounts which have been respectively subscribed by them for the shares to which their claims relate and which would, apart from this section, be eligible for relief.
- (6) Where—
- (a) in the case of a company falling within subsection (2)(a) of section 293, the qualifying trade or each of the qualifying trades is a trade to which subsection (7) below applies;
  - (b) in the case of a company falling within subsection (2)(b)(i) of that section, the subsidiary or each of the subsidiaries is a dormant subsidiary or exists wholly, or substantially wholly, for the purpose of carrying on one or more qualifying trades which or each of which is a trade to which subsection (7) below applies; or

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- (c) in the case of a company falling within subsection (2)(b)(ii) of that section, the requirements mentioned in each of paragraphs (a) and (b) above are satisfied,

subsections (1) and (4) above shall have effect as if for the amount there specified there were substituted £5 million.
- (7) This subsection applies to a trade if it consists, wholly or substantially wholly, of operating or letting ships, other than oil rigs or pleasure craft, and—
  - (a) every ship operated or let by the company carrying on the trade is beneficially owned by the company;
  - (b) every ship beneficially owned by the company is registered in the United Kingdom;
  - (c) throughout the relevant period the company is solely responsible for arranging the marketing of the services of its ships; and
  - (d) the conditions mentioned in section 297(7) are satisfied in relation to every letting by the company.
- (8) Where—
  - (a) any of the requirements mentioned in paragraphs (a) to (c) of subsection (7) above are not satisfied in relation to any ships; or
  - (b) any of the conditions referred to in paragraph (d) of that subsection are not satisfied in relation to any lettings,

the trade shall not thereby be precluded from being a trade to which that subsection applies if the operation or letting of those ships, or, as the case may be, those lettings do not amount to a substantial part of the trade.
- (9) The Treasury may by order amend any of the foregoing provisions of this section by substituting a different amount for the amount for the time being specified there.
- (10) Where—
  - (a) the issue of the eligible shares is made in pursuance of a prospectus published, or an offer in writing made, before 15th March 1988;
  - (b) the shares are issued after that date and before 6th April 1988; and
  - (c) subsection (6) above does not apply,

subsections (1) and (4) above shall have effect as if for the amount there specified there were substituted £1 million.
- (11) In this section—
  - “let” means let on charter and “letting” shall be construed accordingly;
  - “oil rig” and “pleasure craft” have the same meanings as in section 297;
  - “prospectus” has the meaning given by section 744 of the Companies Act 1985 or Article 2(3) of the Companies (Northern Ireland) Order 1986.”

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

- (2) Schedule 5 to the <sup>M5</sup>Finance Act 1983 shall be deemed always to have had effect as if—
- in paragraph 2(7), for the words “paragraphs 5” there had been substituted the words “ paragraphs 3A, 5 ”; and
  - the provisions set out in subsection (1)(b) above had been inserted, with any necessary modifications, after paragraph 3 as paragraph 3A.

#### Marginal Citations

M5 1983 c. 28.

## 52 Valuation of interests in land.

- (1) In section 294 of the Taxes Act 1988 (companies with interests in land), after subsection (5) there shall be inserted—

“(5A) For the purposes of this section, the value of an interest in any building or other land shall be adjusted by deducting the market value of any machinery or plant which is so installed or otherwise fixed in or to the building or other land as to become, in law, part of it.”

- (2) This section shall have effect in relation to valuations which fall to be made after the passing of this Act.

## <sup>F21</sup>53 Approved investment funds.

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#### Textual Amendments

F21 S. 53 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 2](#) (with [Sch. 2](#))

*Pensions etc.*

## <sup>F22</sup>54 Personal pension schemes: commencement.

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#### Textual Amendments

F22 Ss. 54-56 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#) (with [Sch. 36](#))

## <sup>F22</sup>55 Personal pension schemes: other amendments.

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#### Textual Amendments

F22 Ss. 54-56 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#) (with [Sch. 36](#))

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

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**F22 56 Occupational pension schemes.**

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**Textual Amendments**

**F22** Ss. 54-56 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3 (with Sch. 36)

**F23 57 Lump sum benefits paid otherwise than on retirement.**

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**Textual Amendments**

**F23** S. 57 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 8 Pt. 1 (with Sch. 7)

*Underwriters*

**F24 58 Assessment and collection.**

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**Textual Amendments**

**F24** S. 58 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), Sch. 1 Pt. 10 Group 1

**59 Reinsurance: general.**

- (1) In subsection (4) of section 450 of the Taxes Act 1988 (underwriters), for paragraph (b) there shall be substituted—

“(b) any insurance money payable to him under that insurance in respect of a loss shall be taken into account as a trading receipt in computing those profits or gains for the year of assessment which corresponds to the underwriting year in which the loss arose;”

- (2) The amendment set out in subsection (1) above shall also be made in paragraph 4 of Schedule 16 to the Finance Act 1973 (underwriters).

- (3) Subsection (1) above shall have effect for the year 1988-89 and subsequent years of assessment; and subsection (2) above shall have effect for the years 1985-86, 1986-87 and 1987-88.

**60 Reinsurance to close.**

- (1) For subsection (5) of section 450 of the Taxes Act 1988 (underwriters) there shall be substituted—

“(5) Subsection (5A) below applies where—

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**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)

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- (a) in accordance with the rules or practice of Lloyd's and in consideration of the payment of a premium, one member agrees with another to meet liabilities arising from the latter's business for an underwriting year so that the accounts of the business for that year may be closed; and
- (b) the member by whom the premium is payable is a continuing member, that is, a member not only of the syndicate as a member of which he is liable to pay the premium ("the reinsured syndicate") but also of the syndicate as a member of which the other member is entitled to receive it ("the reinsurer syndicate").

(5A) In any case where this subsection applies—

- (a) in computing for the purposes of income tax the profits or gains of the continuing member's business as a member of the reinsured syndicate, the amount of the premium shall be deductible as an expense of his only to the extent that it is shown not to exceed a fair and reasonable assessment of the value of the liabilities in respect of which it is payable; and
- (b) in computing for those purposes the profits or gains of his business as a member of the reinsurer syndicate, those profits or gains shall be reduced by an amount equal to any part of a premium which, by virtue of paragraph (a) above, is not deductible as an expense of his as a member of the reinsured syndicate;

and the assessment referred to above shall be taken to be fair and reasonable only if it is arrived at with a view to producing the result that a profit does not accrue to the member to whom the premium is payable but that he does not suffer a loss."

(2) The provisions set out in subsection (1) above, but renumbered as subsections (1) and (2) and with the substitution, in the provision renumbered as subsection (1), of the words "subsection (2)" for the words "subsection (5A)", shall also be substituted for subsections (1) to (4) of section 70 of the <sup>M6</sup>Finance (No. 2) Act 1987 (underwriters); and in subsection (5) of that section, for the word "underwriter" there shall be substituted the word "member".

(3) In this section—

- (a) subsection (1) shall have effect in relation to premiums payable in connection with the closing of accounts of a member's business for an underwriting year ending in the year 1988-89 or any subsequent year of assessment; and
- (b) subsection (2) shall have effect in relation to premiums payable in connection with the closing of accounts of a member's business for an underwriting year ending in the year 1985-86, 1986-87 or 1987-88.

#### Marginal Citations

M6 1987 c. 51.

## 61 Minor and consequential amendments.

<sup>F25</sup>(1) . . . . .

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)

- (2) In Schedule 10 to the Taxes Act 1970, in paragraph 7(3), for the words “Case I of Schedule D” there shall be substituted the words “ in accordance with Schedule 16 to <sup>M7</sup>Finance Act 1973 ” and the words “the investments forming part of the premiums trust fund of the underwriter” shall cease to have effect.
- (3) In section 87 of the <sup>M8</sup>Finance Act 1972, at the beginning of subsection (3) there shall be inserted the words “ Except as provided by Schedule 16 to Finance Act 1973 (underwriters) ”.
- (4) In Schedule 16 to the <sup>M9</sup>Finance Act 1973—
- (a) in sub-paragraph (1) of paragraph 17, for paragraph (a) there shall be substituted—
    - “(a) for the assessment and collection of tax charged in accordance with the preceding provisions of this Schedule (so far as not provided for by Schedule 16A to this Act);
    - (aa) for making, in the event of any changes in the rules or practice of Lloyd’s, such amendments of that Schedule as appear to the Board to be expedient having regard to those changes;”
  - (b) after that sub-paragraph, there shall be inserted—
    - “(1A) Regulations under this paragraph may make provision with respect to the year of assessment next but one preceding the year of assessment in which they are made.”
- (5) <sup>F26</sup>... subsections (2) to (4) above shall have effect for the years 1986-87 and 1987-88.

#### Textual Amendments

**F25** S. 61(1) repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10** Group 1

**F26** Words in s. 61(5) repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10** Group 1

#### Marginal Citations

**M7** 1973 c. 51.

**M8** 1972 c. 41.

**M9** 1973 c. 51.

### Oil licences

<sup>F27</sup>**62** .....

#### Textual Amendments

**F27** S. 62 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

<sup>F28</sup>**63** .....

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

### Textual Amendments

- F28** S. 63 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**F29** **64** .....

### Textual Amendments

- F29** S. 64 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

## Miscellaneous

**F30** **65** **Commercial woodlands.**  
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### Textual Amendments

- F30** S. 65 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), Sch. 1 para. 331, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

**F31** **66** **Company residence.**  
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### Textual Amendments

- F31** S. 66 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), Sch. 1 para. 332, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

**F33** **F32** **66A** **Residence of SE or SCE**  
.....

### Textual Amendments

- F32** S. 66A inserted (with effect in accordance with s. 60(3) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), **s. 60(1)**
- F33** S. 66A repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), Sch. 1 para. 333, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

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<sup>F34</sup>**67** .....

**Textual Amendments**

**F34** S. 67 repealed (31.7.1998 with effect as mentioned in Sch. 27 Pt. III(11) of the repealing Act) by [1998 c. 36, s. 165, Sch. 27 Pt. III\(11\)](#) note

<sup>F35</sup>**68** **Priority share allocations for employees etc.**

.....

**Textual Amendments**

**F35** S. 68 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 8 Pt. 1](#) (with [Sch. 7](#))

<sup>F36</sup>**69** **Share options: loans.**

.....

**Textual Amendments**

**F36** S. 69 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 8 Pt. 1](#) (with [Sch. 7](#))

**70** **Charities: payroll deduction scheme.**

- (1) In section 202(7) of the Taxes Act 1988 (which limits to £120 the deductions attracting relief) for “£120” there shall be substituted “£240”.
- (2) This section shall have effect for the year 1988-89 and subsequent years of assessment.

<sup>F37</sup>**71** **Unit trusts: relief on certain payments.**

.....

**Textual Amendments**

**F37** S. 71 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 3 Pt. 1](#) (with [Sch. 2](#))

<sup>F38</sup>**72** **Entertainment of overseas customers.**

.....



**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)

### Textual Amendments

- F38** S. 72 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009](#) (c. 4), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

## 73 Consideration for certain restrictive undertakings.

**F39** (1) .....

**F40** (2) .....

**F40** (3) .....

**F40** (4) .....

### Textual Amendments

- F39** S. 73(1) repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003](#) (c. 1), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))
- F40** S. 73(2)-(4) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009](#) (c. 4), s. 1329(1), [Sch. 1 para. 334](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

**F41** 74 .....

### Textual Amendments

- F41** S. 74 repealed (31.7.1998 with effect on 6.4.1998 as mentioned in s. 58(4) of the repealing Act) by [1998 c. 36](#), s. 165, [Sch. 27 Pt. III\(9\)](#) note

## **F42** 75 Premiums for leases etc.

.....

### Textual Amendments

- F42** S. 75 repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013](#) (c. 2), s. 3(2), [Sch. 1 Pt. 10](#) Group 1

**F43** 76 .....

### Textual Amendments

- F43** S. 76 repealed (29.4.1996 with effect as mentioned in [Sch. 41 Pt. V\(2\)](#) of the repealing Act) by [1996 c. 8](#), s. 205, [Sch. 41 Pt. V\(2\)](#) notes, Pt. V(19)

*Changes to legislation: There are currently no known outstanding effects  
 for the Finance Act 1988, Part III. (See end of Document for details)*

## CHAPTER II

### UNAPPROVED EMPLOYEE SHARE SCHEMES

#### Modifications etc. (not altering text)

- C2** Pt. III Ch. II (ss. 77-89) applied (6.3.1992 with effect as mentioned in s. 289 of the applying Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), **ss. 120(1), 289**, (with ss. 60, 101(1), 171, 201(3))

#### *Preliminary*

#### <sup>F44</sup>**77** Scope of Chapter.

.....

#### Textual Amendments

- F44** Ss. 77-88 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

#### *Charges to tax*

#### <sup>F44</sup>**78** Charge where restrictions removed etc.

.....

#### Textual Amendments

- F44** Ss. 77-88 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

#### <sup>F44</sup>**79** Charge for shares in dependent subsidiaries.

.....

#### Textual Amendments

- F44** Ss. 77-88 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

#### <sup>F44</sup>**80** Charge on special benefits.

.....

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*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 1988, Part III. (See end of Document for details)*

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**Textual Amendments**

**F44** Ss. 77-88 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

*Miscellaneous*

<sup>F44</sup>**81**    **Changes in interest.**

.....

**Textual Amendments**

**F44** Ss. 77-88 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

<sup>F44</sup>**82**    **Company reorganisations etc.**

.....

**Textual Amendments**

**F44** Ss. 77-88 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

<sup>F44</sup>**83**    **Connected persons etc.**

.....

**Textual Amendments**

**F44** Ss. 77-88 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

<sup>F44</sup>**84**    **Capital gains tax.**

.....

**Textual Amendments**

**F44** Ss. 77-88 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

<sup>F44</sup>**85**    **Information.**

.....

*Changes to legislation: There are currently no known outstanding effects  
 for the Finance Act 1988, Part III. (See end of Document for details)*

#### Textual Amendments

**F44** Ss. 77-88 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

### Supplementary

#### <sup>F44</sup>**86** Meaning of “dependent subsidiary”.

.....

#### Textual Amendments

**F44** Ss. 77-88 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

#### <sup>F44</sup>**87** Other interpretation provisions.

.....

#### Textual Amendments

**F44** Ss. 77-88 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

#### <sup>F44</sup>**88** Transitional provisions.

.....

#### Textual Amendments

**F44** Ss. 77-88 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

#### **89** Consequential amendments.

In relation to acquisitions of shares or interests in shares on or after 26th October 1987—

- (a) for the words from “section 138(1)(a)” to “value of the shares” in <sup>F45</sup>... section 186(2)(b) (approved profit sharing schemes) of the Taxes Act 1988, and

<sup>F46</sup>(b) .....

there shall be substituted the words “ section 78 or 79 of the Finance Act 1988 in respect of the shares ”.

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

Textual Amendments

- F45 Words in s. 89(a) repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))
- F46 S. 89(b) repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

CHAPTER III  
CAPITAL ALLOWANCES

F4790 .....

Textual Amendments

- F47 [S. 90](#) repealed by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), s. 164(4)(5), **Sch. 2**.

F4891 .....

Textual Amendments

- F48 [S. 91](#) repealed by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), s. 164(4)(5), **Sch. 2**.

F4992 .....

Textual Amendments

- F49 [S. 92](#) repealed by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), s. 164(4)(5), **Sch. 2**.

F5093 .....

Textual Amendments

- F50 [S. 93](#) repealed by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), s. 164(4)(5), **Sch. 2**.

F5194 .....

Textual Amendments

- F51 [S. 94](#) repealed by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), s. 164(4)(5), **Sch. 2**.

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

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<sup>F52</sup>**95** .....

**Textual Amendments**

**F52** S. 95 repealed by Capital Allowances Act 1990 (c. 1, SIF 63:1), s. 164(4)(5), **Sch. 2**.

**CHAPTER IV**

**CAPITAL GAINS**

*Re-basing to 1982*

<sup>F53</sup>**96** .....

**Textual Amendments**

**F53** S. 96 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch. 12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

<sup>F54</sup>**97** .....

**Textual Amendments**

**F54** S. 97 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

*Unification of rates of tax on income and capital gains*

<sup>F55</sup>**98** .....

**Textual Amendments**

**F55** S. 98 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

<sup>F56</sup>**99** .....

**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)

### Textual Amendments

**F56** S. 99 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**F57** **100** .....

### Textual Amendments

**F57** S. 100 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**F58** **101** .....

### Textual Amendments

**F58** S. 101 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**F59** **102** .....

### Textual Amendments

**F59** S. 102 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**F60** **103** .....

### Textual Amendments

**F60** S. 103 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

## Married couples

**F61** **104** .....

*Changes to legislation: There are currently no known outstanding effects  
 for the Finance Act 1988, Part III. (See end of Document for details)*

#### Textual Amendments

- F61** S. 104 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

### Company migration

## 105 Deemed disposal of assets on company ceasing to be resident in U.K.

**F62**(1) .....

**F62**(2) .....

**F62**(3) .....

**F62**(4) .....

**F62**(5) .....

**F63**(6) .....

- (7) This section and sections 106 and 107 below shall be deemed to have come into force on 15th March 1988.

#### Textual Amendments

- F62** S. 105(1)-(5) repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)
- F63** S. 105(6) omitted (with effect in accordance with Sch. 17 para. 13 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), **Sch. 17 para. 3(a)**

**F64** **106** .....

#### Textual Amendments

- F64** S. 106 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**F65** **107** .....

#### Textual Amendments

- F65** S. 107 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)



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*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 1988, Part III. (See end of Document for details)*

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### Miscellaneous

**F66** 108 .....

#### Textual Amendments

**F66** S. 108 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**F67** 109 .....

#### Textual Amendments

**F67** S. 109 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**F68** 110 .....

#### Textual Amendments

**F68** S. 110 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**F69** 111 .....

#### Textual Amendments

**F69** S. 111 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**F70** 112 .....

#### Textual Amendments

**F70** S. 112 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 101(1), 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

*Changes to legislation: There are currently no known outstanding effects  
 for the Finance Act 1988, Part III. (See end of Document for details)*

**F71 113** .....

**Textual Amendments**

- F71** S. 113 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**F72 114** .....

**Textual Amendments**

- F72** S. 114 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**F73 115** .....

**Textual Amendments**

- F73** S. 115 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**F74 116** .....

**Textual Amendments**

- F74** S. 116 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, Sch. 11 paras. 22, 26(2), 27)

**117 Definition of “investment trust”.**

**F75** (1) .....

- (2) The repeal by the <sup>M10</sup>Finance (No. 2) Act 1987 of section 93 of the <sup>M11</sup>Finance Act 1972 shall be treated as not having extended to subsection (6) of that section (amendment of definition of “investment trust” in section 359 of the Taxes Act 1970).

- (3) [<sup>F76</sup>For section 266(4) of the M3Companies Act 1985 there shall be substituted—  
 “(a) Subsections (1A) to (3) of section 842 of the Income and Corporation Taxes Act 1988 apply for the purposes of subsection (2)(b) above as for those of subsection (1)(b) of that section.”;and for Article 274(4) of the M4Companies (Northern Ireland) Order 1986 there shall be substituted—

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

- (b) Subsections (1A) to (3) of section 842 of the Income and Corporation Taxes Act 1988 apply for the purposes of paragraph (2)(b) as for those of subsection (1)(b) of that section.”]
- (4) <sup>F77</sup> ... subsection (2) above shall have effect for companies’ accounting periods ending on or before that date.

#### Textual Amendments

- F75** S. 117(1) 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](#))
- F76** S. 117(3) repealed (6.4.2008 for specified purposes) by [Companies Act 2006 \(c. 46\)](#), s. 1300(2), **Sch. 16**; S.I. 2007/3495, art. 8(a), [Sch. 2 Pts. 1, 2](#) (with arts. 712)
- F77** Words in s. 117(4) repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

#### Marginal Citations

- M10** 1987 c. 51.
- M11** 1972 c. 41.

<sup>F78</sup> **118** .....

#### Textual Amendments

- F78** S. 118 repealed (6.3.1992 with effect as mentioned in s. 289 of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with ss. 101(1), 201(3), 290, [Sch. 11 paras. 22, 26\(2\), 27](#))

## CHAPTER V

### MANAGEMENT

#### *Assessment*

<sup>F79</sup> **119** **Current year assessments.**

.....

#### Textual Amendments

- F79** S. 119 repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), **Sch. 1 Pt. 10** Group 1

#### *Returns of income and gains*

<sup>F80</sup> **120** **Notice of liability to income tax.**

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

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#### Textual Amendments

**F80** S. 120 repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), [Sch. 1 Pt. 10](#) Group 1

**F81** **121** .....

#### Textual Amendments

**F81** S. 121 repealed (31.7.1998 with effect as mentioned in s. 117 of the repealing Act) by [1998 c. 36](#), s. 165, [Sch. 27 Pt. III\(28\)](#), note

**F82** **122** **Notice of liability to capital gains tax.**

.....

#### Textual Amendments

**F82** S. 122 repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), [Sch. 1 Pt. 10](#) Group 1

### *Other returns and information*

#### **123** **Three year time limit.**

(1) At the end of section 13 of the <sup>M12</sup>Taxes Management Act 1970 (returns by persons in receipt of taxable income belonging to others) there shall be added—

“(3) A notice under this section shall not require information as to any money, value, profits or gains received in a year of assessment ending more than three years before the date of the giving of the notice.”

(2) In section 17(1) of that Act (interest paid or credited by banks etc. without deduction of income tax) after the words “during a year” there shall be inserted the words “ of assessment ”.

(3) In section 18 of that Act (particulars of interest paid without deduction of income tax) after subsection (3) there shall be inserted—

“(3A) A notice under this section shall not require information with respect to interest paid in a year of assessment ending more than three years before the date of the giving of the notice.”

(4) At the end of section 19 of that Act (information for the purposes of Schedule A etc.) there shall be added—

“(4) A notice under this section shall not require information with respect to—

- (a) the terms applying to the lease, occupation or use of the land, or
- (b) consideration given, or
- (c) payments arising,

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

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in a year of assessment ending more than three years before the date of the giving of the notice.”

(5) This section has effect with respect to notices given after the passing of this Act.

**Marginal Citations**

M12 1970 c. 9.

**124 Returns of fees, commissions etc.**

(1) At the end of section 16 of the Taxes Management Act 1970 (fees, commissions etc.) there shall be added—

“(8) In subsection (2) above references to a body of persons include references to any department of the Crown, any public or local authority and any other public body.”

(2) This section has effect with respect to payments made in the year 1988-89 or any subsequent year of assessment.

**125 Other payments and licences etc.**

After section 18 of the Taxes Management Act 1970 there shall be inserted—

**“18A Other payments and licences etc.**

(1) Any person by whom any payment out of public funds is made by way of grant or subsidy shall, on being so required by a notice given to him by an inspector, furnish to the inspector, within the time limited by the notice—

- (a) the name and address of the person to whom the payment has been made or on whose behalf the payment has been received, and
- (b) the amount of the payment so made or received,

and any person who receives any such payment on behalf of another person shall on being so required furnish to the inspector the name and address of the person on whose behalf the payment has been received, and its amount.

(2) Any person by whom licences or approvals are issued or a register is maintained shall, on being so required by a notice given to him by an inspector, furnish to the inspector, within the time limited by the notice—

- (a) the name and address of any person who is or has been the holder of a licence or approval issued by the first-mentioned person, or to whom an entry in that register relates or related; and
- (b) particulars of the licence or entry.

(3) The persons to whom this section applies include any department of the Crown, any public or local authority and any other public body.

(4) A notice is not to be given under this section unless (in the inspector’s reasonable opinion) the information required is or may be relevant to any tax liability to which a person is or may be subject, or the amount of any such liability.

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*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)

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- (5) A notice under this section shall not require information with respect to a payment which was made, or to a licence, approval or entry which ceased to subsist—
- (a) before 6th April 1988; or
  - (b) in a year of assessment ending more than three years before the date of the giving of the notice.
- (6) For the purposes of this section a payment is a payment out of public funds if it is provided directly or indirectly by the Crown, by any Government, public or local authority whether in the United Kingdom or elsewhere or by any Community institution.”

*Production of accounts, books etc.*

<sup>F83</sup>**126 Production of documents relating to a person’s tax liability.**

.....

**Textual Amendments**

**F83** S. 126 omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 92(a) (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with art. 12)

<sup>F84</sup>**127 Production of computer records etc.**

.....

**Textual Amendments**

**F84** S. 127 omitted (21.7.2008) by virtue of Finance Act 2008 (c. 9), s. 114(8)(b)

*Interest and penalties*

<sup>F85</sup>**128 Interest on overdue or overpaid PAYE.**

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**Textual Amendments**

**F85** S. 128 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 8 Pt. 1 (with Sch. 7)

**129 Two or more tax-geared penalties in respect of same tax.**

- (1) After section 97 of the Taxes Management Act 1970 there shall be inserted—

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

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**“97A Two or more tax-gearred penalties in respect of same tax.**

Where two or more penalties—

- (a) are incurred by any person and fall to be determined by reference to any income tax or capital gains tax with which he is chargeable for a year of assessment; or
- (b) are incurred by any company and fall to be determined by reference to any corporation tax with which it is chargeable for an accounting period,

each penalty after the first shall be so reduced that the aggregate amount of the penalties, so far as determined by reference to any particular part of the tax, does not exceed whichever is or, but for this section, would be the greater or greatest of them, so far as so determined.”

- (2) Section 97A(a) of that Act has effect with respect to the year 1988-89 or any subsequent year of assessment; and section 97A(b) has effect with respect to accounting periods ending after 31st March 1989.

*Company migration*

<sup>F86</sup> **130 Provisions for securing payment by company of outstanding tax.**

.....

**Textual Amendments**

- F86** Ss. 130-132 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. 56, **Sch. 10 Pt. 12** (with Sch. 9 paras. 1-9, 22)

<sup>F86</sup> **131 Penalties for failure to comply with section 130.**

.....

**Textual Amendments**

- F86** Ss. 130-132 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. 56, **Sch. 10 Pt. 12** (with Sch. 9 paras. 1-9, 22)

<sup>F86</sup> **132 Liability of other persons for unpaid tax.**

.....

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part III. (See end of Document for details)*

**Textual Amendments**

**F86** Ss. 130-132 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. 56, **Sch. 10 Pt. 12** (with Sch. 9 paras. 1-9, 22)

*Appeals etc.*

<sup>F87</sup>**133 Jurisdiction of General Commissioners.**

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**Textual Amendments**

**F87** Ss. 133-135 omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 165**

<sup>F87F88</sup>**134General Commissioners for Northern Ireland.**

.....

**Textual Amendments**

**F87** Ss. 133-135 omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 165**

**F88** S. 134(1) repealed (1.4.2009) by [Tribunals, Courts and Enforcement Act 2007 \(c. 15\)](#), s. 148, **Sch. 23 Pt. 1**; S.I. 2008/2696, art. 6(c)

<sup>F87</sup>**135 Cases stated in Northern Ireland.**

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**Textual Amendments**

**F87** Ss. 133-135 omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), **Sch. 1 para. 165**



**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1988, Part III.