



Finance Act 1930

1930 CHAPTER 28 20 and 21 Geo 5

An Act to grant certain duties of Customs and Inland Revenue (including Excise), to alter other duties, and to amend the law relating to Customs and Inland Revenue (including Excise) and the National Debt, and to make further provision in connection with finance. [1st August 1930]

Extent Information

- E1** For the extent of this Act in relation to Northern Ireland see [S. 53\(7\)](#)

Editorial Information

- X1** The text of ss.42, 53(4) was taken from S.I.F. Group 114 (Stamp Duty), s. 49 from S.I.F. 99:3 (Public Finance and Economic Controls: National Debt) and ss 51 and 53(5)(6)(7) was taken from S.I.F. Group 63:1 (Income, Corporation & Capital Gains Taxes) ; provisions omitted from S.I.F. have been dealt with as referred to in other commentary.
- X2** General amendments to Tax Acts, Income Tax Acts, and/or Corporation Tax Acts made by legislation after 1.2.1991 are noted against [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#) but not against each Act

Modifications etc. (not altering text)

- C1** Words of enactment omitted under authority of [Statute Law Revision Act 1948 \(c. 62\), s. 3](#)
- C2** General amendments etc. to Tax Acts (or Income Tax Acts or Corporation Tax Acts as the case may be) made by [Taxes Management Act 1970 \(c. 9, SIF 63:1\), s. 41A\(7\)](#) (as added by [Finance Act 1990 \(c. 29, SIF 63:1\), s. 95\(1\)\(2\)](#)), [British Telecommunications Act 1981 \(c. 38, SIF 96\), s. 82\(2\)\(7\)](#); [Telecommunications Act 1984 \(c. 12, SIF 96\), s. 72\(3\)](#); [Finance Act 1984 \(c. 43, SIF 63:1\), ss. 82\(6\), 85\(2\), 89\(1\)\(7\), 96\(1\)\(7\), 98\(7\), Sch. 9 para. 3\(2\)\(9\), Sch. 16 paras. 6, 12](#) and [Finance Act 1985 \(c. 54, SIF 63:1\), ss. 72\(1\), 74\(5\), Sch. 23 para. 15\(4\), S.I. 1987/530, regs. 11\(2\), 13\(1\), 14, Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\), ss. 4, 6, 7, 9, 32, 34, 78, 134, 135, 141, 142, 185, 191, 193, 194, 195, 200, 203, 209, 212, 213, 219, 247, 253, 272, 287, 314, 315, 317, 318, 325, 326, 327, 345, 350, 351, 368, 375, 381, 397, 414, 432, 440, 442, 446, 458, 460, 461, 463, 463\(2\)\(3\)](#) (as added by [Finance Act 1990 \(c. 29, SIF 63:1\), s. 50\(2\)](#)), 468, 474, 475, 486, 490, 491, 503, 511, 518, 524, 532, 544, 550, 556, 558, 569, 572, 582, 595, 601, 613, 617, 619, 621, 639, 656, 660, 663, 676, 689, 691, 694, 700, 701, 714, 716, 739, 743, 754, 763, 776, 780, 781, 782, 787, 789, 811, 828, 829, 832, 833, 834, 835, 837, 838, 839, 840, 841, 842, Sch. 2 para. 5, Sch. 4 para. 5, Sch. 13 para. 10, Sch. 16 para. 10, Sch. 21 para. 6, Sch. 26 para. 1, Sch. 27 para. 20, [Finance Act 1988 \(c. 39, SIF 63:1\), ss. 66, 127\(1\)](#)

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1930. (See end of Document for details)

(6), **Sch. 12 para. 6**, Capital Allowances Act 1990 (c. 1, SIF 63:1), **ss. 28(1)**, 68(8), 74, 82, 83(5), 148(5), 163(4), 164(2), S.I. 1990/627 and Finance Act 1990 (c. 29, SIF 63:1), **s. 25(10)**

Commencement Information

I1 Act partly in force at Royal Assent, partly retrospective; all provisions as far as unrepealed wholly in force at 1.2.1991.

PART I

CUSTOMS AND EXCISE.

1 **F1**

Textual Amendments

F1 Ss. 1, 4, 5, 46, 53(8), Sch. 3 repealed by Statute Law Revision Act 1950 (c. 6), s. 1, **Sch.**

2 **F2**

Textual Amendments

F2 S. 2 repealed by Finance Act 1964 (c. 49), ss. 2(5), 26(7), **Sch. 9**

3 **F3**

Textual Amendments

F3 Ss. 3, 7 repealed by Customs and Excise Act 1952 (c. 44) s. 320, Sch. 12, Pt. I

4, 5. **F4**

Textual Amendments

F4 Ss. 1, 4, 5, 46, 53(8), Sch. 3 repealed by Statute Law Revision Act 1950 (c. 6), s. 1, **Sch.**

6 **F5**

Textual Amendments

F5 S. 6 repealed by Vehicles (Excise) Act 1949 (c. 89), s. 30, **Sch. 7**

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1930. (See end of Document for details)

7 F6

Textual Amendments

F6 Ss. 3, 7 repealed by [Customs and Excise Act 1952 \(c. 44\)](#) s. 320, Sch. 12, Pt. I

PART II

INCOME TAX.

8—32 F7

Textual Amendments

F7 Ss. 8—32, Sch. I repealed (with savings) by [Income Tax Act 1952 \(c. 10\)](#), s. 527, **Sch. 25**

PART III

ESTATE DUTY.

33—40 F8

Textual Amendments

F8 Ss. 33—40 repealed (with savings) by [Finance Act 1940 \(c. 29\)](#), s.65, **Sch. 8**; Finance Act (No. 2), 1940 (c. 48), s.42(8), Sch. 10; (with savings) [Finance Act 1975 \(c. 7\)](#), ss. 50, 52(2)(3), 59, **Sch. 13 Pt. I**

Modifications etc. (not altering text)

C3 S. 40 modified (15.9.2016) by 2016 (c. 24), s. 97(1)

PART IV

STAMPS.

41 F9

Textual Amendments

F9 Ss. 41, 45 repealed by [Finance Act 1973 \(c. 51\)](#), s.59(7), **Sch. 22 Pt. V**

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1930. (See end of Document for details)

42 Relief from transfer stamp duty in case of transfer of property as between associated companies.

- (1) Stamp duty under [^{F10}Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale)], shall not be chargeable on an instrument to which this section applies;

Provided that no such instrument shall be deemed to be duly stamped unless either it is stamped with the duty to which it would but for this section be liable, or it has in accordance with the provisions of section twelve of the said Act been stamped with a particular stamp denoting either that it is not chargeable with any duty or that it is duly stamped.

- [^{F11}(2) This section applies to any instrument as respects which it is shown to the satisfaction of the Commissioners [^{F12}that—

- (a) the effect of the instrument is to convey or transfer a beneficial interest in property from one body corporate [^{F13}(“the transferor”) to another (“the transferee”)], and
- (b) the bodies in question are associated at the time the instrument is executed]

[^{F14}unless at the time the instrument is executed arrangements are in existence by virtue of which at that or some later time any person has or could obtain, or any persons together have or could obtain, control of the transferee but not of the transferor [^{F15}(but see sections 42A and 42B)] .]

- [For the purposes of this section bodies corporate are associated at a particular time if at [^{F16}(2A) that time one is the parent of the other or another body corporate is the parent of each.

- (2B) For the purposes of this section one body corporate is the parent of another at a particular time if at that time the first body

[is beneficially owner of not less than 75 per cent. of the ordinary share capital [^{F17}(a)] of the second body]

[is beneficially entitled to not less than 75 per cent of any profits available for [^{F18}(b)] distribution to equity holders of the second body; and

- (c) would be beneficially entitled to not less than 75 per cent of any assets of the second body available for distribution to its equity holders on a winding-up.]

- (3) The ownership referred to in [^{F19}paragraph (a) of] subsection [^{F20}(2B)] above is ownership either directly or through another body corporate or other bodies corporate, or partly directly and partly through another body corporate or other bodies corporate, and Part I of Schedule 4 to the [^{M1}Finance Act 1938 (determination of amount of capital held through other bodies corporate) shall apply for the purposes of [^{F21}that paragraph]. . .]

- [^{F22}(4) In this section “ordinary share capital”, in relation to a body corporate, means all the issued share capital (by whatever name called) of the body corporate, other than capital the holders of which have a right to a dividend at a fixed rate but have no other right to share in the profits of the body corporate.]

- [^{F23}(5) [^{F24}Chapter 6 of Part 5 of the Corporation Tax Act 2010] shall apply for the purposes of paragraphs (b) and (c) of subsection (2B) as it applies for the purposes of [^{F25}section 151(4)(a) and (b)] of that Act; but this is subject to subsection (6).

- (6) In determining for the purposes of this section whether a body corporate is the parent of the transferor, [^{F26}sections 171(1)(b) and (3), 173, 174 and 176 to 178 of the

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Corporation Tax Act 2010] shall not apply for the purposes of paragraph (b) or (c) of subsection (2B).

(7) In this section, “control” shall be construed in accordance with [F²⁷section 1124 of the Corporation Tax Act 2010] .]

Textual Amendments

- F10** Words in s. 42(1) substituted (27.7.1999 with effect as mentioned in s. 112(6) of the amending Act) by 1999 c. 16, ss. 112(4), 122, Sch. 14 para. 3
- F11** S. 42(2)(3) substituted for s. 42(2) by Finance Act 1967 (c. 54), s. 27(2)
- F12** Word, hyphen and paras. (a) and (b) substituted (1.5.1995) for the words in s. 42(2) by 1995 c. 4, s. 149(2)(7) (with Sch. 8 paras. 55(2), 57(1))
- F13** Words in s. 42(2)(a) substituted (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by 2000 c. 17, s. 123(2)
- F14** Words in s. 42(2) inserted (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by 2000 c. 17, s. 123(3)
- F15** Words in s. 42(2) inserted (1.3.2013) by The Enactment of Extra-Statutory Concessions Order 2013 (S.I. 2013/234), arts. 1, 5 (with art. 6)
- F16** S. 42(2A)(2B) inserted (1.5.1995) by 1995 c. 4, s. 149(3)(7) (with Sch. 8 paras. 55(2), 57(1))
- F17** S. 42(2B): words re-numbered as sub-paragraph (a) (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by virtue of 2000 c. 17, s. 123(4)
- F18** S. 42(2B)(b)(c) inserted (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by 2000 c. 17, s. 123(4)
- F19** Words in s. 42(3) inserted (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by 2000 c. 17, s. 123(5)(a)
- F20** Words in s. 42(3) substituted (1.5.1995) by 1995 c. 4, s. 149(4)(7) (with Sch. 8 paras. 55(2), 57(1))
- F21** Words in s. 42(3) substituted (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by 2000 c. 17, s. 123(5)(b)
- F22** S. 42(4) inserted (1.5.1995) by 1995 c. 4, s. 149(5)(7) (with Sch. 8 paras. 55(2), 57(1))
- F23** S. 42(5)-(7) inserted (28.7.2000 with effect as mentioned in s. 123(7) of the amending Act) by 2000 c. 17, s. 123(6)
- F24** Words in s. 42(5) substituted (1.4.2010) (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. 150(2)(a) (with Sch. 2)
- F25** Words in s. 42(5) 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. 150(2)(b) (with Sch. 2)
- F26** Words in s. 42(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. 150(3) (with Sch. 2)
- F27** Words in s. 42(7) 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. 150(4) (with Sch. 2)

Modifications etc. (not altering text)

- C4** S. 42 excluded (28.4.1997) by S.I. 1997/1156, reg. 11
S. 42 restricted (*retrospective* to 24.4.2002) by 2002 c. 23, s. 111, Sch. 34
- C5** S. 42 “the Commissioners” means the Commissioners of Inland Revenue
- C6** S. 42(2) modified (25.2.2011) by Horserace Betting and Olympic Lottery Act 2004 (c. 25), ss. 4(3)(a), 40; S.I. 2011/462, art. 2

Marginal Citations

- M1** 1938 c. 46.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1930. (See end of Document for details)

[^{F28}42A. Certain arrangements not within section 42

- (1) Arrangements entered into by a joint venture company which, apart from this section, would be arrangements of the kind mentioned in section 42(2) are not to be treated as such arrangements if and so long as—
 - (a) the arrangements fall within subsection (2), and
 - (b) none of the contingencies mentioned in subsection (3) to which the arrangements relate has occurred.
- (2) Arrangements fall within this subsection if they are—
 - (a) an agreement which provides for the transfer of shares or securities in the joint venture company to one or more members of that company on, or as a result of, one or more contingencies mentioned in subsection (3) occurring, or
 - (b) a provision in a constitutional document of the joint venture company which provides for the suspension of a member’s voting rights on, or as a result of, one or more of those contingencies occurring.
- (3) The contingencies referred to in subsection (1)(b) and (2) are—
 - (a) the voluntary departure of a member,
 - (b) the commencement of the liquidation, administration, administrative receivership or receivership of, or the entering into of a voluntary arrangement by, a member under the Insolvency Act 1986 or the Insolvency (Northern Ireland) Order 1989 or the commencement, or entering into, of equivalent proceedings or arrangements under the law of any country or territory outside the United Kingdom,
 - (c) a serious deterioration in the financial condition of a member,
 - (d) a change of control of a member,
 - (e) a default by a member in performing its obligations under any agreement between the members or with the joint venture company (which, for this purpose, includes any constitutional document of the joint venture company),
 - (f) an external change in the commercial circumstances in which the joint venture company operates such that its viability is threatened,
 - (g) an unresolved disagreement between members, and
 - (h) any contingency of a similar kind to that mentioned in any of paragraphs (a) to (g) which is provided for, but not intended to happen, when the arrangements in question are entered into.
- (4) This section does not apply if a member could alone or together with connected persons dictate the terms or timing of—
 - (a) the transfer of the shares or securities, or
 - (b) suspension of a member’s voting rights,
 in advance of one or more of the contingencies occurring.
- (5) For the purposes of subsection (4) members are not connected with each other by reason only of their membership of the joint venture company.
- (6) In this section—

“connected” has the same meaning as in section 1122 of the Corporation Tax Act 2010;

“constitutional document” means a memorandum of association, articles of association or any other similar document regulating the affairs of the joint venture company;

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- “joint venture company” means a company which—
- (a) has two or more member companies, and
 - (b) carries on a commercial activity governed by an agreement regulating the affairs of its members;
- “member” means a holder of shares or securities in the joint venture company.

Textual Amendments

F28 S. 42A - S. 42B inserted (1.3.2013) by [The Enactment of Extra-Statutory Concessions Order 2013 \(S.I. 2013/234\)](#), arts. 1, **4(1)** (with art. 6)

42B. Certain mortgage arrangements not within section 42

- (1) Arrangements entered into by a company which, apart from this section, would be arrangements of the kind mentioned in section 42(2) are not to be treated as such arrangements if and so long as—
 - (a) the arrangements are a mortgage, secured by way of shares or securities in the company, which on default or the happening of any other event allows the mortgagee to exercise its rights against the mortgagor, and
 - (b) the mortgagee has not exercised its rights against the mortgagor.
- (2) This section does not apply if the mortgagee—
 - (a) possesses greater rights in respect of the shares or securities which are the subject of the mortgage than it requires to protect its interest as mortgagee, or
 - (b) could alone or together with connected persons dictate the terms or timing of the default or the happening of any event which allows it to exercise its rights against the mortgagor.
- (3) For the purposes of subsection (2)(b) a mortgagee is not, by reason only of the mortgage, connected with a company whose shares or securities are the subject of the mortgage.
- (4) In this section—

“connected” has the same meaning as in section 1122 of the Corporation Tax Act 2010;

“mortgage” means—

 - (a) in England and Wales, and Northern Ireland, any legal or equitable charge, and
 - (b) in Scotland, any right in security.]

Textual Amendments

F28 S. 42A - S. 42B inserted (1.3.2013) by [The Enactment of Extra-Statutory Concessions Order 2013 \(S.I. 2013/234\)](#), arts. 1, **4(1)** (with art. 6)

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1930. (See end of Document for details)

Textual Amendments

F29 S. 43 repealed by [Finance Act 1949 \(c. 47\)](#), s. 52(9)(10), **Sch. 11 Pt. V**

44 **F30**

Textual Amendments

F30 S. 44 repealed by [Finance Act 1970 \(c. 24\)](#), s. 36(8), **Sch. 8 Pt. V**

45 **F31**

Textual Amendments

F31 Ss. 41, 45 repealed by [Finance Act 1973 \(c. 51\)](#), s.59(7), **Sch. 22 Pt. V**

PART V

NATIONAL DEBT.

46 **F32**

Textual Amendments

F32 Ss. 1, 4, 5, 46, 53(8), **Sch. 3** repealed by [Statute Law Revision Act 1950 \(c. 6\)](#), s. 1, **Sch.**

47 **F33**

Textual Amendments

F33 S. 47 repealed by [Finance Act 1931 \(c. 28\)](#), s. 44, **Sch. 3 Pt. I**

48 **F34**

Textual Amendments

F34 S. 48 repealed by [National Loans Act 1968 \(c. 13\)](#), ss. 17(1), 24(2), **Sch. 6 Pt. I**

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1930. (See end of Document for details)

49 Amendment of Part VII of National Debt Act 1870.

- (1) Part VII of the ^{M2}National Debt Act 1870, shall have effect as if the capital sums secured on bearer bonds issued under the War Loan Acts 1914 to 1919, were stock within the meaning of the said Part VII and as if the bonds and coupons attached thereto were respectively stock certificates and coupons issued under the National Debt Act 1870.
- (2) For the purposes of this section a bond shall be deemed to have been issued if it has been made out and paid for, notwithstanding that it has not been taken up by the person entitled thereto.

Marginal Citations

M2 1870 c. 71.

50 ^{F35}

Textual Amendments

F35 S. 50 repealed by Finance Act 1942 (c. 21), s. 47(2), **Sch. 11 Pt. III**

PART VI

MISCELLANEOUS AND GENERAL.

51 Bank for International Settlements to be exempt from taxation.

The Bank for International Settlements shall not be liable to any taxation, present or future, in respect either of the capital amount of, or of any income arising from, any part of the funds or investments of the Bank which result from payments made by the Government of the German Reich under the agreement entered into at the Hague on the twentieth day of January, nineteen hundred and thirty, between the Government of the German Reich and certain other Governments, including the Government of the United Kingdom.

52 ^{F36}

Textual Amendments

F36 S. 52 repealed by National Debt Act 1958 (7&8 Eliz. 2. c. 6), s. 17(1), **Sch.**

53 †Construction, short title, application and repeal.

(1) ^{F37}

(2) ^{F38}

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1930. (See end of Document for details)

- (3) **F39**
- (4) Part IV of this Act shall be construed as one with the ^{M3}Stamp Act 1891.
- (5) Any reference in this Act to any enactment shall be construed as a reference to that enactment as amended by any subsequent enactment, including this Act.
- (6) This Act may be cited as the Finance Act, 1930.
- (7) Such of the provisions of this Act as relate to matters with respect to which the Parliament of Northern Ireland has power to make laws shall not extend to Northern Ireland.
- (8) **F40**

Textual Amendments

- F37** S. 53(1) repealed by Finance Act 1964 (c. 49), s. 26(7), **Sch. 9**
- F38** S. 53(2) repealed by Statute Law Revision Act 1953 (2 & 3 Eliz. 2 c. 5)
- F39** S. 53(3) Sch. 2 repealed (with savings) by Finance Act 1975 (c. 7), ss. 50, 52(2)(3), 59, **Sch. 13 Pt. I**
- F40** Ss. 1, 4, 5, 46, 53(8), Sch. 3 repealed by Statute Law Revision Act 1950 (c. 6), s. 1, **Sch.**
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Modifications etc. (not altering text)

- C7** A dagger appended to a marginal note means that it is no longer accurate.
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Marginal Citations

- M3** 1891 c. 39.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1930. (See end of Document for details)

F41F41 FIRST SCHEDULE

Textual Amendments

F41 Ss. 8–32, Sch. I repealed (with savings) by [Income Tax Act 1952 \(c. 10\)](#), s. 527, **Sch. 25**

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F41

F42F42 SECOND SCHEDULE

Textual Amendments

F42 S. 53(3) Sch. 2 repealed (with savings) by [Finance Act 1975 \(c. 7\)](#), ss. 50, 52(2)(3), 59, **Sch. 13 Pt. I**

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F42

F43F43 SCHEDULE 3

Textual Amendments

F43 Ss. 1, 4, 5, 46, 53(8), Sch. 3 repealed by [Statute Law Revision Act 1950 \(c. 6\)](#), s. 1, **Sch.**

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F43

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1930.