



Finance Act 1965

1965 CHAPTER 25

PART V

MISCELLANEOUS AND GENERAL.

90 Stamp duty: conveyances and transfers.

- (1) Subject to the provisions of this section, any instrument whereby property is conveyed or transferred to any person in contemplation of a sale of that property shall be treated for the purposes of the Stamp Act 1891 as a conveyance or transfer on sale of that property for a consideration equal to the value of that property.
- (2) If on a claim made to the Commissioners not later than two years after the making or execution of an instrument chargeable with duty in accordance with subsection (1) of this section, it is shown to their satisfaction—
 - (a) that the sale in contemplation of which the instrument was made or executed has not taken place and the property has been re-conveyed or re-transferred to the person from whom it was conveyed or transferred or to a person to whom his rights have been transmitted on death or bankruptcy ; or
 - (b) that the sale has taken place for a consideration which is less than the value in respect of which duty was paid on the instrument by virtue of this section,

the Commissioners shall repay the duty paid by virtue of this section, in a case falling under paragraph (a) of this subsection, so far as it exceeds the stamp duty which would have been payable apart from this section and, in a case falling under paragraph (b) of this subsection, so far as it exceeds the stamp duty which would have been payable if the instrument had been stamped in accordance with subsection (1) of this section in respect of a value equal to the consideration in question :

Provided that, in a case falling under the said paragraph (b), duty shall not be repayable if it appears to the Commissioners that the circumstances are such that a conveyance or transfer on the sale in question would have been chargeable with duty under section 74 of the Finance (1909-10) Act 1910 by virtue of subsection (5) of that section (conveyances and transfers on sale chargeable as voluntary dispositions if for inadequate consideration).

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- (3) No instrument chargeable with duty in accordance with subsection (1) of this section shall be deemed to be duly stamped unless the Commissioners have been required to express their opinion thereon under section 12 of the said Act of 1891 and have expressed their opinion thereon in accordance with that section.
- (4) The foregoing provisions of this section shall apply whether or not an instrument conveys or transfers other property in addition to the property in contemplation of the sale of which it is made or executed, but those provisions shall not affect the stamp duty chargeable on the instrument in respect of that other property.
- (5) For the purposes of the said section 74 and of subsection (1) of this section, the value of property conveyed or transferred by an instrument chargeable with duty in accordance with either of those provisions shall be determined without regard to—
- (a) any power (whether or not contained in the instrument) on the exercise of which the property, or any part of or any interest in, the property, may be revested in the person from whom it was conveyed or transferred or in any person on his behalf;
 - (b) any annuity reserved out of the property or any part of it, or any life or other interest so reserved, being an interest which is subject to forfeiture;
- but if on a claim made to the Commissioners not later than two years after the making or execution of the instrument it is shown to their satisfaction that any such power as is mentioned in paragraph (a) of this subsection has been exercised in relation to the property and the property or any property representing it has been re-conveyed or re-transferred in the whole or in part in consequence of that exercise the Commissioners shall repay the stamp duty paid by virtue of this subsection, in a case where the whole of such property has been so re-conveyed or re-transferred, so far as it exceeds the stamp duty which would have been payable apart from this subsection and, in any other case, so far as it exceeds the stamp duty which would have been payable if the instrument had operated to convey or transfer only such property as is not so re-conveyed or re-transferred.
- (6) This section shall be construed as one with the said Act of 1891.
- (7) This section shall come into force on 1st August 1965.

91 Interest where stamp duty repaid under judgment.

Where under section 13(4) of the Stamp Act 1891 (appeals against assessment of stamp duty) a court orders any sum to be repaid by the Commissioners of Inland Revenue, the court may order it to be repaid with such interest as the court may determine.

92 Grants towards duty charged on bus fuel.

- (1) There shall be paid out of moneys provided by Parliament the expenses of making such grants as the Minister of Transport, in his discretion and on such conditions as he thinks fit to impose, may make to operators of bus services towards defraying customs or excise duty charged on fuel used in operating any bus service after the commencement of section 2 of the Finance (No. 2) Act 1964 (which increased by sixpence a gallon the duty on hydrocarbon oils, petrol substitutes and power methylated spirits).
- (2) The method of calculating the said grants shall be such as the Minister of Transport may with the approval of the Treasury from time to time determine, either generally

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or in particular cases or classes of case, but the amount of a grant shall not exceed sixpence for every gallon of fuel used or estimated to have been used in operating the bus service during the period to which the grant relates.

(3) If the operator of a bus service fails without reasonable excuse (the proof whereof shall be on him) to comply with a condition imposed on him as mentioned in subsection (1) of this section—

- (a) requiring the compiling, preservation or production of running sheets, accounts or other records relating to the operation of the service ; or
- (b) requiring facilities to be afforded for the inspection, removal or copying of such records;

he shall be guilty of an offence and liable on summary conviction to a fine not exceeding £100.

(4) If any person—

- (a) knowingly or recklessly makes any false statement for the purpose of obtaining the payment to himself or another of any sum under this section; or
- (b) wilfully makes a false entry in any running sheet, account or other record which is or may be required to be produced in pursuance of any condition such as is mentioned in subsection (1) of this section or, with intent to deceive, makes use for the purposes of this section of any such record which he knows to be false ;

he shall be guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding three months or a fine not exceeding £100 or both, or on conviction on indictment to imprisonment for a term not exceeding two years or a fine or both.

(5) Where an offence under this section which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, he as well as the body corporate shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(6) No proceedings for an offence under this section shall be instituted in England and Wales except by or with the consent of the Minister of Transport or the Director of Public Prosecutions.

(7) Section 104 of the Magistrates' Courts Act 1952 and section 23 of the Summary Jurisdiction (Scotland) Act 1954 (summary proceedings to be commenced within six months from commission of offence) shall apply to offences under this section with the substitution of a reference to three years for each reference to six months:

Provided that this subsection shall not enable an information to be tried in England and Wales or proceedings to be heard in Scotland where the information was laid or the proceedings were commenced more than twelve months after evidence sufficient in the opinion of the appropriate authority to justify them came to his knowledge; and for this purpose a certificate of the appropriate authority as to the date on which such evidence came to his knowledge shall be conclusive evidence.

In this subsection " the appropriate authority " means the Minister of Transport or, in the case of proceedings which are brought by or with the consent of the Director of Public Prosecutions or, in Scotland, are not preceded by a report of the facts made

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by the Minister of Transport to the Lord Advocate, means the Director of Public Prosecutions or the Lord Advocate as the case may be.

- (8) In this section " bus service " means a service of stage carriages as defined by section 117 of the Road Traffic Act 1960, and "operator", in relation to a bus service, means the holder of the road service licence under which the service is provided or, where the service is provided by the London Transport Board, means that Board.
- (9) The foregoing provisions of this section shall not extend to Northern Ireland, but notwithstanding anything in the Government of Ireland Act 1920 the Parliament of Northern Ireland shall have power to make laws for purposes similar to the purposes of those provisions.

93 Grants to housing associations for affording relief from tax.

- (1) If a housing association makes a claim to the Minister in respect of any period and satisfies him—
- (a) that throughout that period it was a housing association to which this section applies; and
 - (b) that its functions throughout that period either—
 - (i) consisted exclusively of the function of providing or maintaining housing accommodation for letting or hostels and of activities incidental thereto ; or
 - (ii) included that function and such activities,
- the Minister may make grants to the association out of moneys provided by Parliament for affording relief, in a case falling within paragraph (b)(i) above, from any tax chargeable on the association for that period or, in a case falling within paragraph (b)(ii) above, from such part of any tax so chargeable as the Minister considers appropriate having regard to the other functions of the association.
- (2) Any grant under this section shall be of such amount, shall be made at such times and in such manner and shall be subject to such conditions as the Minister thinks fit, including conditions for securing the repayment in whole or in part of any grant made to an association in the event of any tax in respect of which it was made subsequently being found not to be chargeable or in such other events (including the association subsequently beginning to trade for profit) as the Minister may determine.
- (3) Any claim under this section shall be made in such manner and shall be supported by such evidence as the Minister may direct; and it shall be lawful for the Commissioners of Inland Revenue and their officers to disclose to the Minister such particulars as he may reasonably require for determining whether a grant should be made on any claim or whether any such grant should be repaid or the amount of any such grant or repayment.
- (4) In subsection (1) of this section references to tax chargeable on an association are references to income tax (other than income tax which the association is entitled to deduct on making any payment), profits tax and corporation tax, but no relief shall be afforded under this section in respect of income tax for any period before 6th April 1965 or profits tax for any period before the beginning of April 1965 (any profits tax for a chargeable accounting period beginning before and ending after that time being duly apportioned).

- (5) In this section " the Minister " means, in the case of a housing association in England, the Minister of Housing and Local Government and, in the case of a housing association in Scotland or in Wales, the Secretary of State.
- (6) This section applies to any housing association which—
- (a) is a housing association as defined in section 189(1) of the Housing Act 1957 or section 184(1) of the Housing (Scotland) Act 1950; or
 - (b) would be a housing association as so defined if references in those sections to houses and housing accommodation included references to hostels as defined in section 15(4) of the Housing (Financial Provisions) Act 1958 or section 89(7) of the said Act of 1950;
- being, in either case, an association which does not trade for profit and which is not for the time being approved for the purposes of section 43 of the Finance Act 1963 (co-operative housing associations).
- (7) The foregoing provisions of this section shall not extend to Northern Ireland, but notwithstanding anything in the Government of Ireland Act 1920 the Parliament of Northern Ireland shall have power to make laws for purposes similar to the purposes of those provisions.

94 Funds in court.

- (1) For the purposes of section 22(5) of this Act and of section 12(5) of the Finance Act 1962 (which is the corresponding provision for income tax under Case VII of Schedule D) funds in court held by the Accountant General shall be regarded as held by him as nominee for the persons entitled to or interested in the funds, or as the case may be for their trustees.
- (2) The Public Trustee shall apportion to the shares into which a common investment fund established under section 1 of the Administration of Justice Act 1965 is divided the chargeable gains accruing in a year of assessment in respect of assets comprised in the fund, after deduction of the capital gains tax which will be charged in respect of those gains, and the amount so apportioned to any shares shall be treated for the purposes of Part III of this Act as if it were expenditure allowable under paragraph 4 of Schedule 6 to this Act in computing a gain accruing on the disposal of those shares and incurred in respect of those shares at the time when the amount was so apportioned.
- (3) Where funds in court standing to an account are invested or, after investment, are realised the method by which the Accountant General effects the investment or the realisation of investments shall not affect the question whether there is for the purposes of Part III of this Act or of Chapter II of Part II of the Finance Act 1962 an acquisition, or as the case may be a disposal, of an asset representing funds in court standing to the account, and in particular there shall for those purposes be an acquisition or disposal of shares in a common investment fund established under section 1 of the Administration of Justice Act 1965 notwithstanding that the investment in such shares of funds in court standing to an account, or the realisation of funds which have been so invested, is effected by setting off, in the Accountant General's accounts, investment in one account against realisation of investments in another.
- (4) If any common investment fund established under section 1 of the Administration of Justice Act 1965 is for the time being designated for the purposes of this subsection by an agreement between the Commissioners of Inland Revenue and the Public Trustee—

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- (a) the Public Trustee shall be entitled to exemption from income tax in respect of so much of the income derived from that fund or any investment thereof as is paid by him by way of dividend on the shares into which the fund is divided ; and
 - (b) dividends on those shares shall be paid without deduction of tax and shall be chargeable under Case III of Schedule D.
- (5) A claim for exemption under subsection (4)(a) above shall be made to the Commissioners of Inland Revenue and section 9 of the Income Tax Management Act 1964 (procedure on claims) shall apply to any such claim.
- (6) Where at any time, by virtue of subsection (4) of this section, the income of a person from any source becomes chargeable as therein provided, not having previously been chargeable by direct assessment on that person, so much of section 131(3) of the Income Tax Act 1952 as relates to the charge of tax where a person acquires a new source of income shall apply as if the source of that income were a new source of income acquired by that person at that time.
- (7) The Accountant General shall as respects each year of assessment furnish to the Commissioners of Inland Revenue, at such time and in such manner as they may direct, particulars of any sums paid without deduction of tax by virtue of subsection (4) of this section and of the persons to whom such sums were paid, except that particulars shall not be required of any case where the total of such sums paid to any person in that year did not exceed fifteen pounds.
- (8) An agreement designating a fund for the purposes of subsection (4) of this section may provide for incidental and consequential matters, including arrangements for giving effect to subsection (4)(a) of this section by provisional repayments of tax deducted at source, and may be determined by the Commissioners of Inland Revenue or the Public Trustee by one year's notice in writing expiring with the end of any year of assessment.
- (9) In this section " funds in court " means—
- (a) money in the Supreme Court, money in county courts and statutory deposits described in section 14 of the Administration of Justice Act 1965,
 - (b) money in the Mayor's and City of London Court transferred to the Accountant General in pursuance of section 11 of the said Act of 1965, and
 - (c) any such moneys as are mentioned in section 30 of the said Act of 1965 (which relates to Northern Ireland) and money in a county court in Northern Ireland, and investments representing such money; and references in this section to the Accountant General are references to the Accountant General of the Supreme Court of Judicature in England and, in relation to money within paragraph (c) above and investments representing such money, include references to the Accountant General of the Supreme Court of Judicature of Northern Ireland or any other person by whom such funds are held.

95 Loans to Government of Northern Ireland.

In the proviso to section 2(1) of the Miscellaneous Financial Provisions Act 1950 (which, as amended by section 7(1) of the Public Works Loans Act 1964, restricts the total principal amount outstanding in respect of advances to the Exchequer of Northern Ireland under the said section 2 to forty million pounds) for the words " forty million pounds " there shall be substituted the words " seventy million pounds ".

96 Reserved taxes for purposes of Government of Ireland Act 1920.

- (1) The Government of Ireland Act 1920 shall have effect as if the capital gains tax and the corporation tax were included among the taxes mentioned in section 22(1) of that Act (reserved taxes).
- (2) This section extends to Northern Ireland.

97 Short title, construction, extent and repeal.

- (1) This Act may be cited as the Finance Act 1965.
- (2) Part II of this Act shall be construed as one with the Income Tax Acts.
- (3) Any reference in this Act to any other enactment shall, except so far as the context otherwise requires, be construed as a reference to that enactment as amended or applied by or under any other enactment, including this Act.
- (4) Save as otherwise expressly provided, such of the provisions of this Act as relate to matters in respect of which the Parliament of Northern Ireland has power to make laws shall not extend to Northern Ireland.
- (5) The enactments mentioned in Schedule 22 to this Act are hereby repealed to the extent mentioned in the third column of that Schedule, but subject to any provision in relation thereto made at the end of any Part of that Schedule; and any such provision as to the date of operation of a repeal shall be without prejudice to any provision in this Act providing that any of the provisions repealed are to cease to have effect at an earlier date for all purposes or for certain specified purposes.