



# Finance Act 1970

## 1970 CHAPTER 24

### PART I

#### CUSTOMS AND EXCISE

**1** .....<sup>F1</sup>

**Textual Amendments**

**F1** S. 1 repealed by Statute Law (Repeals) Act 1974 (c. 22), **Sch. Pt. II**

**2** **Gaming licence duty.**

(1) .....<sup>F2</sup>

(9) Part II of Schedule 1 to this Act shall have effect for supplementing the provisions of this section (in that Schedule called “the principal section”).

(10) .....<sup>F2</sup>

**Textual Amendments**

**F2** Ss. 2(1)–(8)(10), 3 repealed by Betting and Gaming Duties Act 1972 (c. 25), **Sch. 7**

**3** .....<sup>F3</sup>

**Textual Amendments**

**F3** Ss. 2(1)–(8)(10), 3 repealed by Betting and Gaming Duties Act 1972 (c. 25), **Sch. 7**

*Status: Point in time view as at 01/02/1991.*  
**Changes to legislation:** There are currently no known outstanding effects for the Finance Act 1970. (See end of Document for details)

4 ..... F4

**Textual Amendments**  
F4 S. 4 repealed with savings by Finance Act 1977 (c. 36), s. 59(5), Sch. I Pt. II

5 ..... F5

**Textual Amendments**  
F5 S. 5 repealed by Customs and Excise Management Act 1979 (c. 2), s. 177(3), Sch. 6 Pt. I

6 (1) ..... F6

(2) Angostura bitters shall be deemed not to be spirits for the purposes of—

(a) ..... F6

(b) [<sup>F7</sup>the Licensing (Scotland) Act 1976], the Licensing Act 1964 and any other enactment (whether passed before or after the commencement of this Act) in which “spirits” has the same meaning as in either of those Acts;

and accordingly angostura bitters shall be treated as a non-intoxicating drink for the purposes of the enactments specified in paragraph (b) above.

**Textual Amendments**  
F6 S. 6(1)(2)(a) repealed by Alcoholic Liquor Duties Act 1979 (c. 4), Sch. 4 Pt. I  
F7 Words substituted by virtue of Interpretation Act 1978 (c. 30), s. 17(2)(a)

7 (1) ..... F8

(5) ..... F9

(6) ..... F8

(8) ..... F9

**Textual Amendments**  
F8 S. 7(1)–(4)(6)(7) repealed by Alcoholic Liquor Duties Act 1979 (c. 4), Sch. 4 Pt. I  
F9 S. 7(5)(8) repealed by Customs and Excise Management Act 1979 (c. 2), s. 177(3), Sch. 6 Pt. I

8 ..... F10

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**Textual Amendments**

**F10** S. 8 repealed by [Hydrocarbon Oil \(Customs & Excise\) Act 1971 \(c. 12\)](#), s. 24(2), **Sch. 7**

**9** ..... **F11**

**Textual Amendments**

**F11** S. 9 repealed by [Vehicles \(Excise\) Act 1971 \(c. 10\)](#), s. 39(5), **Sch. 8 Pt. I**

**10** ..... **F12**

**Textual Amendments**

**F12** S. 10 repealed by [Finance Act 1973 \(c. 51\)](#), s. 59(7), **Sch. 22 Pt. I**

**PART II**

INCOME TAX AND CORPORATION TAX

**CHAPTER I**

GENERAL

**11–14** ..... **F13**

**Textual Amendments**

**F13** Ss. 11–14 repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. **844** and Sch. 31

**15** ..... **F14**

**Textual Amendments**

**F14** S. 15 repealed by [Capital Allowances Act 1990 \(c. 1, SIF 63:1\)](#), ss. 82, 164(4)(5), **Sch. 2**

**16** ..... **F15**

*Status: Point in time view as at 01/02/1991.*  
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**Textual Amendments**  
**F15** S. 16 repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), **s. 844** and Sch. 31

**17** ..... <sup>F16</sup>

**Textual Amendments**  
**F16** S. 17 repealed by [Finance Act 1972 \(c. 41\)](#), **ss. 75(7)(8)** and 134, Sch. 10 para.10 and Sch. 28 Part V except as respects interest paid or payable before 1972–73

**18** **Miscellaneous amendments of income tax and corporation tax law.**

Schedule 4 to this Act (which contains amendments of the Taxes Act and of the Capital Allowances Act 1968) shall have effect.

**CHAPTER II**

**19–26** ..... <sup>F17</sup>

**Textual Amendments**  
**F17** Ss. 19–26 repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), **s. 844** and Sch. 31

**PART III**

**MISCELLANEOUS**

*Capital gains*

**27** The following section shall be inserted after section 278 of the Taxes Act (charge to corporation tax on company ceasing to be a member of a group in respect of assets previously acquired by a transfer within the group)—

**“278A Exemption from charge under s. 278 in the case of certain mergers.**

- (1) Subject to the following provisions of this section, section 278 above shall not apply in a case where—
  - (a) as part of a merger, a company (in this section referred to as “company A” ceases to be a member of a group of companies (in this section referred to as “the A group”); and

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- (b) it is shown that the merger was carried out for bona fide commercial reasons and that the avoidance of liability to tax was not the main or one of the main purposes of the merger.
- (2) In this section “merger” means an arrangement (which in this section includes a series of arrangements)—
- (a) whereby one or more companies (in this section referred to as “the acquiring company” or, as the case may be, “the acquiring companies”) none of which is a member of the A group acquires or acquire, otherwise than with a view to their disposal, one or more interests in the whole or part of the business which, before the arrangement took effect, was carried on by company A; and
  - (b) whereby one or more members of the A group acquires or acquire, otherwise than with a view to their disposal, one or more interests in the whole or part of the business or each of the businesses which, before the arrangement took effect, was carried on either by the acquiring company or acquiring companies or by a company at least 90 per cent. of the ordinary share capital of which was then beneficially owned by two or more of the acquiring companies; and
  - (c) in respect of which the conditions in subsection (4) below are fulfilled.
- (3) For the purposes of subsection (2) above, a member of a group of companies shall be treated as carrying on as one business the activities of that group.
- (4) The conditions referred to in subsection (2)(c) above are—
- (a) that not less than 25 per cent. by value of each of the interests acquired as mentioned in paragraphs (a) and (b) of subsection (2) above consists of a holding of ordinary share capital, and the remainder of the interest, or as the case may be of each of the interests, acquired as mentioned in the said paragraph (b) consists of a holding of share capital (of any description) or debentures or both; and
  - (b) that the value or, as the case may be, the aggregate value of the interest or interests acquired as mentioned in subsection (2)(a) above is substantially the same as the value or, as the case may be, the aggregate value of the interest or interests acquired as mentioned in subsection (2) (b) above; and
  - (c) that the consideration for the acquisition of the interest or interests acquired by the acquiring company or acquiring companies as mentioned in subsection (2)(a) above, disregarding any part of that consideration which is small by comparison with the total, either consists of, or is applied in the acquisition of, or consists partly of and as to the balance is applied in the acquisition of, the interest or interests acquired by members of the A group as mentioned in subsection (2) (b) above;
- and for the purposes of this subsection the value of an interest shall be determined as at the date of its acquisition.
- (5) Notwithstanding the provisions of section 272(1)(a) above, references in this section to a company include references to a company resident outside the United Kingdom.”

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

- C1** Part of the text of s. 27 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991

**28 Extension of class of securities exempt from tax on capital gains.**

- (1) For the purpose of . . . <sup>F18</sup>section 270 of the Taxes Act (gilt-edged securities exempt from tax on capital gains: consequential charge on short-term disposals etc. by companies) in the expression “stocks and registered bonds”, in each place where it occurs in those provisions, the word “registered” shall be, and shall be deemed always to have been, omitted.
- (2) All such adjustments of tax shall be made, whether by way of discharge or repayment or by way of assessment, as may be required in consequence of this section.

**Textual Amendments**

- F18** S. 28(1) words repealed by [Capital Gains Tax Act 1979 \(c. 14, SIF 63:2\)](#), ss. 157, 158, [Sch. 8](#)

**29 Taxation of mineral royalties.**

- (1) . . . . . <sup>F19</sup>
- (3) The relevant fraction referred to in subsection (1)(b) above in relation to the mineral royalties receivable under a mineral lease or agreement—
- (a) . . . . . <sup>F19</sup>
- (b) . . . . . <sup>F20</sup>
- and notwithstanding anything in the enactments relating to the computation of chargeable gains, the amount of the chargeable gain treated as accruing to any person by virtue of subsection (1)(b) above shall be the whole amount calculated in accordance with that subsection, and accordingly no reduction shall be made on account of expenditure incurred by that person or of any other matter whatsoever
- (4) . . . . . <sup>F19</sup>
- (5) The provisions of Part II of Schedule 6 to this Act shall have effect in relation to capital losses which accrue during the currency of a mineral lease or agreement.
- (6) In this section and in Schedule 6 to this Act, references to mineral royalties refer only to royalties receivable on or after 6th April 1970, and the expression “mineral royalties” means so much of any rents, tolls, royalties and other periodical payments in the nature of rent payable under a mineral lease or agreement as relates to the winning and working of minerals; [<sup>F21</sup>and any other payment or part of a payment which is to be treated as mineral royalties by virtue of regulations made under section 122(5) of the Income and Corporation Taxes Act 1988].
- (7) In this section and in Schedule 6 to this Act—
- “minerals” means all minerals and substances in or under land which are ordinarily worked for removal by underground or surface working, but excluding water, peat, top-soil and vegetation; and

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“mineral lease or agreement” means—

- (a) a lease, profit a prendre, licence or other agreement conferring a right to win and work minerals in the United Kingdom;
- (b) a contract for the sale, or a conveyance, of minerals in or under land in the United Kingdom; and
- (c) a grant of a right under section 1 of the Mines (Working Facilities and Support) Act 1966, other than an ancillary right within the meaning of that Act.

(8) ..... F19

(9) In the application of this section to Northern Ireland—

- (a) paragraphs (a) to (c) of subsection (3) above shall not apply but the relevant fraction referred to in subsection (1)(b) above shall be one half;
- (b) references to mineral royalties include references—
  - (i) to periodical payments of compensation under section 29 or section 35 of the Mineral Development Act (Northern Ireland) 1969 or under section 4 of the Petroleum (Production) Act (Northern Ireland) 1964; and
  - (ii) to periodical payments made as mentioned in section 37 of the said Act of 1969 or under section 55(4)(b) of that Act or under section 11 of the said Act of 1964 (payments in respect of minerals to persons entitled to a share of royalties under section 13(3) of the Irish Land Act 1903); and
- (c) in the application of this section to any such payments as are referred to in paragraph (b) above, subsection (5) above shall be omitted, and references in any other provision of this section to the mineral lease or agreement under which mineral royalties are payable shall be construed as references to the enactment under which the payments are made.

**Textual Amendments**

- F19** S. 29(1)(2)(3)(a)(4)(8) repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 844(4), [Sch. 31](#)
- F20** S. 29(3)(b)(c) repealed, as regards disposals after 22nd July 1970, by [Finance Act 1971 \(c. 68\)](#), ss. 55, 69(7), [Sch. 14 Part III](#), subject to s. 55 and Sch. 9
- F21** S. 29(6), [Sch. 6 para. 7\(2\)](#) words substituted by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 844(2), [Sch. 29 para. 32](#)

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

- C2** See [Finance Act 1971 \(c. 68\)](#), [s. 55](#) and [Sch. 9 para. 4](#)—where lease or agreement renewed, varied, etc. after 22 July 1970 and betterment levy previously charged, relevant fraction to be one half in any period after renewal, variation, etc.

30 ..... F22

**Textual Amendments**

- F22** S. 30 repealed by [Finance Act 1989 \(c. 26\)](#), s. 187(1), [Sch. 17 Pt. X](#)

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31 ..... F23

**Textual Amendments**

**F23** S. 31 repealed with savings by Finance Act 1975 (c. 7), ss. 50, 52(2)(3), 59, Sch. 13 Pt. I

*Stamp duties*

**32 Abolition of certain stamp duties, and amendments as to rates and other matters.**

The provisions of Schedule 7 to this Act shall have effect, being—

- (a) in the case of those in Part I of that Schedule, provisions abolishing, or consequential on the abolition of, certain stamp duties,
- (b) in the case of those in Part II of that Schedule, provisions making general amendments of or in connection with the enactments relating to stamp duties, and
- (c) in the case of those in Part III of that Schedule, special provisions required for the purposes of those enactments in connection with the introduction of the new currency provided for by the <sup>M1</sup>Decimal Currency Act 1967.

**Marginal Citations**

**M1** 1967 c. 47.

**<sup>F24</sup>33 Composition by stock exchanges in respect of transfer duty**

- (1) The Commissioners may enter into an agreement with, or with persons acting on behalf of, any recognised stock exchange for the composition, in accordance with the provisions of this section, of the stamp duty chargeable under or by reference to the heading “Conveyance or Transfer on Sale”<sup>F25</sup> or “Conveyance or Transfer of any kind not hereinbefore described” in Schedule 1 to the Stamp Act 1891<sup>F26</sup> on such instruments as may be specified in the agreement,<sup>F27</sup> . . . In this subsection “recognised stock exchange” means the Stock Exchange, London, and any other stock exchange declared by an order in force under section 4 of the Stock Transfer Act 1963 to be a recognised stock exchange for the purposes of that Act.
- (2) An agreement under this section shall provide—
  - (a) for every instrument to which the agreement relates to bear on its face an indication of the amount of stamp duty chargeable thereon,
  - (b) for the issue in respect of every such instrument, by or on behalf of the stock exchange, of a certificate (which may relate to more than one such instrument) to the effect that stamp duty to the amount so indicated has been, or will be, accounted for to the Commissioners,
  - (c) for the delivery to the Commissioners, by or on behalf of the stock exchange, of periodical accounts in respect of instruments to which the agreement relates, giving such particulars with respect thereto as may be specified in the agreement, and



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- (d) for the payment to the Commissioners, by or on behalf of the stock exchange and on the delivery of any such account, of the aggregate amount of the stamp duty chargeable as mentioned in subsection(1) above on instruments to which the agreement relates during the period to which the account relates ;  
and any such agreement may contain such other terms and conditions as the Commissioners think proper.
- (3) For the purposes of any agreement under this section, the form of brokers transfer provided for by section 1(2) of the Stock Transfer Act 1963 <sup>F28</sup> may be used in connection with any transaction notwithstanding that the particulars referred to in that provision could be inserted in the stock transfer there referred to.
- (4) An instrument to which an agreement under this section relates and in respect of which a certificate to the effect mentioned in subsection (2)(b) above has been issued by or on behalf of the stock exchange in question shall be treated for the purposes of the Stamp Act 1891 <sup>F29</sup> as stamped with the amount of duty indicated on the face of the instrument.
- (5) A stock exchange or person making default in delivering any account required by an agreement under this section, or in paying any amount in accordance with such an agreement, shall be liable to a fine not exceeding £50 for any day during which the default continues; and, in addition, every amount payable under such an agreement shall bear interest at the rate of 5 per cent, per annum, recoverable by Her Majesty, from the due date for delivery of the account by reference to which it is payable until the actual date of payment.
- (6) Except in so far as the context otherwise requires, any reference to a stamp in section 9 or 10 of the Stamp Duties Management Act 1891 <sup>F30</sup> (allowances for spoiled stamps) shall include a reference to any indication of an amount of stamp duty on the face of any instrument to which an agreement under this section relates.]

#### Textual Amendments

- F24** S. 33 extended by [Finance Act 1976 \(c. 40\), s. 127\(7\)](#).  
**F25** Words inserted by [Finance Act 1976 \(c. 40\), s. 127\(4\)](#)  
**F26** 1891 c. 39.  
**F27** Words repealed by [Finance Act 1976 \(c. 40\), s. 127\(4\)](#).  
**F28** 1963 c. 18.  
**F29** 1891 c. 39.  
**F30** 1891 c. 38.

#### Other provisions

34 ..... <sup>F31</sup>

#### Textual Amendments

- F31** S. 34 repealed by [Finance Act 1980 \(c. 48\), s. 122, Sch. 20 Pt. IX](#)

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35 ..... F32

**Textual Amendments**  
**F32** S. 35 repealed by [Northern Ireland \(Loans\) Act 1975 \(c. 83\), s. 4\(2\), Sch.](#)

**36 Citation, interpretation, construction, extent and repeals.**

- (1) This Act may be cited as the Finance Act 1970.
- (2) In this Act—
  - (a) except where the context otherwise requires, “the Board” means the Commissioners of Inland Revenue,
  - (b) “the Taxes Act” means the Income and Corporation Taxes Act 1970,
  - (c) “the Management Act” means the Taxes Management Act 1970.
- (3) ..... F33
- (4) Part II of this Act, so far as it relates to income tax, shall be construed as one with the Income Tax Acts and, so far as it relates to corporation tax, shall be construed as one with the Corporation Tax Act.
- (5) Part III of this Act, so far as it relates to stamp duties, shall be construed as one with the <sup>M2</sup>Stamp Act 1891.
- (6) 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.
- (7) Except 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.
- (8) The enactments mentioned in Schedule 8 to this Act (which include enactments which are spent or otherwise unnecessary) 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.

**Textual Amendments**  
**F33** S. 36(3) repealed by [Customs and Excise Management Act 1979 \(c. 2, SIF 40:1\), s. 177\(3\), Sch. 6 Pt. I](#)

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**Modifications etc. (not altering text)**  
**C3** The text of s. 36(8) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

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**Marginal Citations**  
**M2** 1891 c. 39.

**Status:**

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**Changes to legislation:**

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