

## SCHEDULES:

### SCHEDULE 7

Section 29.

#### MISCELLANEOUS EXEMPTIONS AND RELIEFS

##### *Death on active service, etc.*

- 1 (1) Section 22 of this Act shall not apply in relation to the death of a person in whose case it is certified by the Defence Council or the Secretary of State—
- (a) that he died from a wound inflicted, accident occurring or disease contracted at a time when the conditions specified in sub-paragraph (2) below were satisfied, or
  - (b) that he died from a disease contracted at some previous time, the death being due to or hastened by the aggravation of the disease during a period when those conditions were satisfied.
- (2) The conditions referred to in sub-paragraph (1) above are that the deceased was a member of any of the armed forces of the Crown or was employed as mentioned in sub-paragraph (3) below or (not being a member of any of those forces and not being so employed) was subject to the law governing any of those forces by reason of association with or accompanying any body of those forces and (in any case) was either—
- (a) on active service against an enemy, or
  - (b) on other service of a warlike nature or which in the opinion of the Treasury involved the same risks as service of a warlike nature.
- (3) The employment referred to in sub-paragraph (2) above is employment as a person of any of the following descriptions, namely—
- (a) member of Queen Alexandra's Royal Naval Nursing Service or any reserve thereof ;
  - (b) member of Queen Alexandra's Imperial Military Nursing Service or any reserve thereof;
  - (c) member of the Territorial Army Nursing Service;
  - (d) member of the Women's Royal Naval Service or any reserve thereof;
  - (e) woman medical or dental practitioner serving in the Royal Navy or any naval reserve ; (f) member of the Auxiliary Territorial Service ;
  - (g) woman employed with the Royal Army Medical Corps or the Royal Army Dental Corps with relative rank as an officer ;
  - (h) member of the Women's Auxiliary Air Force ;
  - (i) woman employed by the Medical Branch or the Dental Branch of the Royal Air Force with relative rank as an officer;
  - (j) member of the Voluntary Aid Detachments employed under the Admiralty, Army Council, Air Council, or Defence Council.

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*Cash options under approved annuity schemes*

- 2 Where under a contract or trust scheme approved by the Board under section 226 or 226A of the Taxes Act or (before the commencement of that Act) under section 22 of the Finance Act 1956 (retirement annuities) an annuity becomes payable on a person's death to a widow, widower or dependant of that person, and under the terms of the contract or scheme a sum of money might at his option have become payable instead to his personal representatives, he shall not, by virtue of section 23(2) of this Act, be treated as having been beneficially entitled to that sum.

*Government securities free of tax while in foreign ownership*

- 3 (1) Where securities have been issued by the Treasury subject to a condition authorised by section 22 of the Finance (No. 2) Act 1931 (or section 47 of the Finance (No. 2) Act 1915) for exemption from taxation so long as the securities are in the beneficial ownership of persons neither domiciled nor ordinarily resident in the United Kingdom the securities are excluded property—
- (a) if they are not settled property and are in the beneficial ownership of such a person ; or
  - (b) if they are settled property and such a person is beneficially entitled to an interest in possession in them.
- (2) If the securities are settled property and no interest in possession subsists in them the condition of sub-paragraph (1)(b) above shall be treated as satisfied if it is shown that all known persons for whose benefit the settled property or income from it has been or might be applied or who might become beneficially entitled to an interest in possession in it are persons neither domiciled nor ordinarily resident in the United Kingdom.
- (3) Section 45 of this Act does not apply for the purposes of this paragraph.

*Overseas pensions*

- 4 (1) In determining for the purposes of this Part of this Act the value of a person's estate immediately before his death there shall be left out of account any pension payable under the regulations or rules relating to any fund vested in Commissioners under section 273 of the Government of India Act 1935 or to any fund administered under a scheme made under section 2 of the Overseas Pensions Act 1973 which is certified by the Secretary of State for the purpose of this paragraph to correspond to an Order in Council under subsection (1) of the said section 273.
- (2) For the purposes of tax—
- (a) a pension paid under the authority of a scheme made under section 2 of the Overseas Pensions Act 1973 which is constituted by the Pensions (India, Pakistan and Burma) Act 1955 or is certified by the Secretary of State for the purposes of this paragraph to correspond to the said Act of 1955 shall be treated as if it had been paid by the Government of India or the Government of Pakistan (according as the arrangements in pursuance of which the pension was first paid under the said Act of 1955 were made with the one or the other Government);
  - (b) a pension paid out of any fund established in the United Kingdom by the Government of any country which is, or forms part of, a colony, protectorate, protected state or United Kingdom trust territory shall, if the fund was established for the sole purpose of providing pensions, whether contributory

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or not, payable in respect of service under the Government, be treated as if it had been paid by the Government by which the fund was established ;

- (c) a pension paid out of the Central African Pension Fund established by section 24 of the Federation of Rhodesia and Nyasaland (Dissolution) Order in Council 1963 shall be treated as if it had been paid by the Government of a territory outside the United Kingdom ; and
- (d) so much of any pension paid to or in respect of any person under—
  - (i) the scheme which by virtue of subsection (3) of section 2 of the Overseas Pensions Act 1973 is constituted under that section by section 2 or subsection (2) of section 4 of the Overseas Service Act 1958 ; or
  - (ii) such other scheme made under section 2 of the said Act of 1973 as is certified by the Secretary of State for the purposes of the Taxes Act to correspond to section 2 or subsection (2) of section 4 of the said Act of 1958;

as is certified by the Secretary of State to be attributable to service under the Government of an overseas territory shall be treated as if it had been paid by the Government of that territory.

- (3) Sub-paragraph (1) above shall be construed as if contained in section 273 of the Government of India Act 1935 ; and for the purposes of sub-paragraph (2) above—

- (a) "pension" includes a gratuity and any sum payable on or in respect of death, and a return of contributions with or without interest thereon or any other addition thereto ;
- (b) " United Kingdom trust territory " means a territory administered by the Government of the United Kingdom under the trusteeship system of the United Nations ;
- (c) " overseas territory " means any country or territory outside the United Kingdom;
- (d) references to the Government of any such country or territory as is mentioned in paragraph (b) or (d) of that sub-paragraph include a Government constituted for two or more such countries or territories and any authority established for the purpose of providing or administering services which are common to, or relate to matters of common interest to, two or more such countries or territories.

- (4) If, by reason of Her Majesty's Government in the United Kingdom having assumed responsibility for a pension, allowance or gratuity within the meaning of section 1 of the Overseas Pensions Act 1973, payments in respect of it are made under that section, this paragraph shall apply in relation to the pension, allowance or gratuity, exclusive of so much (if any) of it as is paid by virtue of the application to it of any provisions of the Pensions (Increase) Act 1971 or any enactment repealed by that Act, as if it continued to be paid by the Government or other body or fund which had responsibility for it before that responsibility was assumed by Her Majesty's Government in the United Kingdom.

*Savings by persons domiciled in Channel Islands or Isle of Man*

- 5 (1) Where the person beneficially entitled to the rights conferred by any of the following, namely—
  - (a) war savings certificates;
  - (b) national savings certificates (including Ulster savings certificates) ;

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- (c) premium savings bonds ;
- (d) deposits with the National Savings Bank or with a trustee savings bank;
- (e) deposits with a savings bank with respect to which a certificate of the Treasury under section 414 of the Taxes Act is in force;
- (f) any certified contractual savings scheme within the meaning of section 415 of the Taxes Act;

is domiciled in the Channel Islands or the Isle of Man the rights are excluded property.

- (2) Section 45 of this Act does not apply for the purposes of this paragraph.

*Visiting forces and staff of allied headquarters*

- 6 (1) The emoluments paid by the Government of any designated country to a member of a visiting force of that country, not being a citizen of the United Kingdom and colonies, are excluded property.
- (2) Any tangible movable property the presence of which in the United Kingdom is due solely to the presence in the United Kingdom of any such member of a visiting force as is referred to in sub-paragraph (1) above while serving as a member of the force is excluded property.
- (3) A period during which any such member of a visiting force as is referred to in sub-paragraph (1) above is in the United Kingdom by reason solely of his being such a member shall not be treated for the purposes of tax as a period of residence in the United Kingdom or as creating a change of his residence or domicile.
- (4) In the foregoing provisions of this paragraph, references to a visiting force shall apply to a civilian component of a visiting force as they apply to the force itself, and those provisions shall be construed as one with Part I of the Visiting Forces Act 1952, but so that for the purposes of this paragraph references to a designated country shall be substituted in that Act for references to a country to which a provision of that Act applies.
- (5) For the purpose of conferring on persons attached to any designated allied headquarters the like benefits as are conferred by sub-paragraphs (1) to (3) above on members of a visiting force or civilian component, any members of the armed forces of a designated country shall, while attached to any such headquarters, be deemed to constitute a visiting force of that country, and there shall be a corresponding extension of the class of persons who may be treated as members of a civilian component of such a visiting force.
- (6) In the case of persons of any category for the time being agreed between Her Majesty's Government in the United Kingdom and the other members of the North Atlantic Council, employment by a designated allied headquarters shall be treated for the purposes of sub-paragraphs (2) and (3) above as if it were service as a member of a visiting force of a designated country.
- (7) For the purposes of this paragraph—
- " allied headquarters " means any international military headquarters established under the North Atlantic Council;
  - " designated " means designated for the purpose in question by or under any Order in Council made for giving effect to any international agreement.

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- (8) Any Order in Council under this paragraph may be varied or revoked by a subsequent Order in Council.
- (9) Any Order in Council made under section 73 of the Finance Act 1960 which is in force immediately before the passing of this Act shall have effect for the purposes of this paragraph as if it had also been made under this paragraph, and may be varied or revoked accordingly.

*Double taxation relief*

- 7 (1) If Her Majesty by Order in Council declares that arrangements specified in the Order have been made with the government of any territory outside the United Kingdom with a view to affording relief from double taxation in relation to capital transfer tax payable under the laws of the United Kingdom and any tax imposed under the laws of that territory which is of a similar character or is chargeable on or by reference to death or gifts inter vivos, and that it is expedient that those arrangements should have effect, the arrangements shall, notwithstanding anything in this Part of this Act, have effect so far as they provide for relief from capital transfer tax, or for determining the place where any property is to be treated as situated for the purposes of the tax.
  - (2) Any arrangements to which effect is given under this paragraph may include provision for relief in cases occurring before the making of the arrangements and provisions as to property which is not itself subject to double taxation.
  - (3) Any Order in Council made under this paragraph may be revoked by a subsequent Order in Council, and any such revoking Order may contain such transitional provisions as appear to Her Majesty to be necessary or expedient.
  - (4) An Order under this paragraph shall not be submitted to Her Majesty in Council unless a draft of it has been laid before the House of Commons and approved by it by resolution.
  - (5) Where any arrangements have effect by virtue of this paragraph, no obligation as to secrecy shall prevent the Board or an authorised officer of the Board from disclosing to any authorised officer of the government with which the arrangements are made such information as is required to be disclosed under the arrangements.
  - (6) Where, under any Order in Council made or having effect as made under section 54 of the Finance (No. 2) Act 1945 or section 2 of the Finance Act (Northern Ireland) 1946 and having effect immediately before the passing of this Act, arrangements with the government of any territory outside the United Kingdom are specified, the Order shall, notwithstanding the repeal of that section, remain in force and have effect as if any provision made by those arrangements in relation to estate duty extended to capital transfer tax chargeable by virtue of section 22 of this Act, and nothing in section 45 of this Act shall be taken to affect the interpretation of any such provision ; but the Order may be amended or revoked by an Order in Council made under this paragraph.
- 8      Where the Board are satisfied that in any territory outside the United Kingdom any amount of tax chargeable by reason of any disposition or other event is attributable to the value of any property situated in that territory, then, if that tax is of a character similar to that of capital transfer tax or is chargeable on or by reference to death or gifts inter vivos and any capital transfer tax chargeable by reference to the same disposition or other event is also attributable to the value of that property, they shall

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allow a sum equal to the first-mentioned amount as a credit against that capital transfer tax.