



Finance Act 1981

1981 CHAPTER 35

U.K.

An Act to grant certain duties, to alter other duties, and to amend the law relating to the National Debt and the Public Revenue, and to make further provision in connection with Finance. [27th July 1981]

Editorial Information

- X1** 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

Commencement Information

- II** Act partly in force at Royal Assent, partly retrospective; all provisions so far as unrepealed wholly in force at 1.2.1991. Some provisions came into force at specific times of day.

PART I **U.K.**

CUSTOMS AND EXCISE

^{x2}1 **Spirits, beer, wine, made-wine and cider. **U.K.****

- (1) ^{F1}
- (2) In section 36 of that Act (excise duty on beer) for “£13.05” and “£0.435” there shall be substituted “ £18.00 ” and “ £0.60 ” respectively.
- (3) ^{F1}
- (5) In section 62(1) of that Act (excise duty on cider) for “£6.05” there shall be substituted “ £7.20 ”.
- (6) This section shall be deemed to have come into force on 11th March 1981.

Status: Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 16 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Editorial Information

X2 The text of ss. 1, 7, 8, 9(1)(8) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Textual Amendments

F1 S. 1(1)(3)(4) repealed by Finance Act 1982 (c. 39, SIF 40:1), s. 157(6), Sch. 22 Pt. I

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..... ^{F2} **U.K.**

Textual Amendments

F2 S. 2 repealed by Finance Act 1982 (c. 39, SIF 40:1), s. 157(6), Sch. 22 Pt. I

^{X3}3 **Matches and mechanical lighters.** **U.K.**

- (1) In section 1(1) of the ^{M1}Matches and Mechanical Lighters Duties Act 1979 (duty on matches at the rate of £0.49 for every 7,200 matches) for “£0.49” there shall be substituted “£1.15”.
- (2) In section 6(1) of that Act (duty on mechanical lighters at the rate of £0.20 for each lighter) for “£0.20” there shall be substituted “£0.50”.
- (3) In section 6(3) of that Act (exemption for lighters constructed solely for the purpose of igniting gas for domestic use) after the word “domestic” there shall be inserted the words “or industrial”
- (4) This section shall be deemed to have come into force on 11th March 1981.

Editorial Information

X3 The text of ss. 3-5, 6(2)(3), 10(2)(4) 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.

Marginal Citations

M1 1979 c. 6.

^{X4}4 **Increase on duty on hydrocarbon oil etc.** **U.K.**

- (1) In section 6(1) of the ^{M2}Hydrocarbon Oil Duties Act 1979 for the words “a duty of excise at the rate of £0.10 a litre” there shall be substituted the words “a duty of excise at the rate of £0.1382 a litre in the case of light oil and £0.1191 a litre in the case of heavy oil”.
- (2) In consequence of subsection (1) above—

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- (a) in sections 7 and 8(3) and (4)(c) of the said Act of 1979 and Article 3 of the ^{M3}Excise Duties (Gas as Road Fuel) Order 1972 (under which duty is charged by reference to the duty on hydrocarbon oil); and
- (b) in section 92(2) of the ^{M4}Finance Act 1965 and section 14(2) of the ^{M5}Finance Act (Northern Ireland) 1966 (grants towards duty on bus fuel),
- for the words “hydrocarbon oil” there shall be substituted the words “light oil”.
- (3) This section shall be deemed to have come into force at 6 o’clock in the evening on 10th March 1981 but as respects the period beginning at that time and ending at 6 o’clock in the evening on 2nd July 1981 the rate of the duty of excise charged by section 6(1) of the said Act of 1979 shall, notwithstanding subsection (1) above, be £0.1382 a litre in the case of heavy oil as well as light oil and the provisions mentioned in subsection (2) above shall have effect accordingly.

Editorial Information

- X4** The text of ss. 3-5, 6(2)(3), 10(2)(4) 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.

Marginal Citations

- M2** 1979 c. 5.
M3 S.I. 1972/567.
M4 1965 c. 25.
M5 1966 c. 21 (N.I.).

^{x5} **Energy for refineries etc. U.K.**

- (1) The Hydrocarbon Oil Duties Act 1979 shall have effect with the following amendments, being amendments providing for relief from duty where energy is produced for use in refineries and other premises used for the production of hydrocarbon oil.
- (2) After section 19 there shall be inserted—

“19A Fuel for producing energy for refineries etc.

- (1) If on an application made for the purposes of this section by an approved person it is shown to the satisfaction of the Commissioners—
- (a) that any quantity of rebated hydrocarbon oil has been used by him, otherwise than at a refinery or other premises used for the production of hydrocarbon oil, as fuel for producing energy; and
- (b) that not less than one-sixth or more than one-third of that energy was used in the treatment of hydrocarbon oil at a refinery or in the production of hydrocarbon oil at other premises used for the production of such oil,
- the applicant shall be entitled to obtain from the Commissioners repayment of one-third of the amount of excise duty which has been paid in respect of the quantity so used less the rebate allowed in respect of the duty.

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- (2) In this section “an approved person” means a person for the time being approved in accordance with regulations made for the purposes of this section under section 24(1) below.”
- (3) In section 27(1) for the definition of “refinery” there shall be substituted—
- ““refinery” means any premises which—
- (a) are approved by the Commissioners for the treatment of hydrocarbon oil; or
 - (b) are approved by them for the production of energy for use in the treatment of hydrocarbon oil at premises approved under paragraph (a) above or in the production of hydrocarbon oil at other premises used for the production of such oil;
- and the Commissioners may approve any premises under paragraph (b) above if it appears to them that more than one-third of the energy will be produced for such use as is mentioned in that paragraph; ”.
- (4) after section 27(1) there shall be inserted—
- “(1A) If in the case of any premises which the Commissioners can approve under paragraph (b) of the definition of “refinery” in subsection (1) above it appears to them appropriate to do so, they may direct that the provisions of this Act (other than that definition) shall apply to them as if, instead of being a refinery, they were other premises used for the production of hydrocarbon oil.”
- (5) Subsection (2) above has effect in relation to oil used on or after 1st September 1981.

Editorial Information

- X5** The text of ss. 3-5, 6(2)(3), 10(2)(4) 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.

6 Repayment of hydrocarbon oil duty. **U.K.**

- (1) The ^{M6}Hydrocarbon Oil Duties Act 1979 shall have effect with the amendments in subsections (2) and (3) below, being amendments which enable regulations to be made with respect to applications for repayment of duty under sections 17, 18(1), 19 and 19A of that Act.
- ^{X6}(2) In section 24(1) for the words “or section 14(1) above” there shall be substituted the words “, section 14(1), section 17, section 18(1), 19 or section 19A above”.
- ^{X6}(3) For paragraph 3 of Schedule 4 there shall be substituted—
- “3 Requiring claims or applications for repayment under section 9(4), 17, 18(1), 19 or 19A of this Act to be made at such times and in respect of such periods as are prescribed; providing that no such claim or application shall lie where the amount to be paid is less than the prescribed minimum; and preventing, where a claim or application can be made under section 9(4) or 19, the payment of drawback.”

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^{x7}(4) It is hereby declared for the avoidance of doubt that references in sections 17(1), 18(1) and 19(3) of the said Act of 1979 to duty paid in respect of the oil used as mentioned in those provisions are to the duty less any rebate allowed in respect of it and accordingly those provisions shall have effect, and be deemed always to have had effect, with the insertion after the words “so used” of the words “less any rebate allowed in respect of the duty”.

Editorial Information

- X6** The text of ss. 3-5, 6(2)(3), 10(2)(4) 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.
- X7** The text from "and accordingly" to the end of s. 6(4) 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.

Marginal Citations

M6 1979 c. 5.

7 Vehicles excise duty: Great Britain. **U.K.**

(1) The ^{M7}Vehicles (Excise) Act 1971 shall be amended as follows.

^{F3}(2)

^{F4}(4)

(5) This section has effect in relation to licences taken out after 10th March 1981.

Textual Amendments

F3 S. 7(2)(3) repealed by Finance Act 1982 (c. 39, SIF 40:1), s. 157(6), **Sch. 22 Pt. II**

F4 S. 7(4) repealed (*retrospectively*) by Finance Act 1985 (c. 54, SIF 40:1), s. 98(6), **Sch. 27 Pt. II**

Modifications etc. (not altering text)

C1 The text of ss. 1, 7, 8, 9(1)(8) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Marginal Citations

M7 1971 c. 10

^{x8} Vehicles excise duty: Northern Ireland. **U.K.**

(1) The ^{M8}Vehicles (Excise) Act (Northern Ireland) 1972 shall be amended as follows.

^{F5}(2)

^{F6}(4)

(5) This section has effect in relation to licences taken out after 10th March 1981.

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Editorial Information

X8 The text of ss. 1, 7, 8, 9(1)(8) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Textual Amendments

F5 S. 8(2)(3) repealed by Finance Act 1982 (c. 39, SIF 40:1), s. 157(6), **Sch. 22 Pt. II**

F6 S. 8(4) repealed (*retrospectively*) by Finance Act 1985 (c. 54, SIF 40:1), s. 98(6), **Sch. 27 Pt. II**

Marginal Citations

M8 1972 c. 10 (N.I.).

9 Betting and gaming duties. **U.K.**

^{X9}(1) In section 1(2)(b) of the ^{M9}Betting and Gaming Duties Act 1972 and section 17(1)(b) of the ^{M10}Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972 (general betting duty on bets other than on-course bets) for the words “7½ percent.” there shall be substituted the words “8 per cent.”

^{F7}(2)

^{F8}(6)

^{F9}(7)

^{X9}(8) Subsection (1) above shall be deemed to have come into force on 12th July 1981, . . .
^{F10} and (6) above shall come into force on 1st October 1981.

Editorial Information

X9 The text of ss. 1, 7, 8, 9(1)(8) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Textual Amendments

F7 S. 9(2)–(5) repealed by Betting and Gaming Duties Act 1981 (c. 63, SIF 12:2), s. 34(2), **Sch. 7**

F8 S. 9(6) repealed by Finance Act 1982 (c. 39, SIF 12:2), s. 157(6), **Sch. 22 Pt. III**

F9 S. 9(7) repealed by Betting and Gaming Duties Act 1981 (c. 63, SIF 12:2), s. 34(2), **Sch. 7**

F10 Words repealed by Betting and Gaming Duties Act 1981 (c. 63, SIF 12:2), s. 34(2), **Sch. 7**

Marginal Citations

M9 1972 c. 25.

M10 1972 c. 11 (N.I.).

10 Import and export procedures. **U.K.**

(1) The ^{M11}Customs and Excise Management Act 1979 shall have effect with the amendments specified in Schedule 6 to this Act, being amendments relating to the control of importation.

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^{x10}(2) For sections 53 to 58 of that Act (which relate to the control of exportation) there shall be substituted the sections set out in Part I of Schedule 7 to this Act ; and the provisions of that Act mentioned in Part II of that Schedule (which also relate to that matter) shall have effect with the amendments there specified.

(3) Subsection (1) above shall come into force on such day as may be appointed by the Commissioners of Customs and Excise by order made by statutory instrument and different days may be appointed in relation to different paragraphs of the Schedule mentioned in that subsection.

^{x10}(4) Subsection (2) above does not affect the operation of the said Act of 1979 in relation to goods exported before 1st October 1981.

Editorial Information

X10 The text of ss. 3-5, 6(2)(3), 10(2)(4) 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.

Modifications etc. (not altering text)

C2 Power of appointment conferred by section 10(3) fully exercised by [S.I. 1982/205](#). Appointed day 1.4.1982

Marginal Citations

M11 [1979 c. 2](#).

11 Miscellaneous customs and excise amendments. **U.K.**

(1) The enactments mentioned in Schedule 8 to this Act (which relate among other things to the administration and regulation of alcoholic liquor duties, warehousing and excise licences) shall have effect with the amendments there specified.

(2) The following provisions of that Schedule shall come into force on 1st July 1982, namely—

- (a) paragraph 5, so far as it affects section 105 of the ^{M12}Customs and Excise Management Act 1979;
- (b) paragraph 20, in so far as it affects sections 65(1) to (7), 70, 86(1)(a) and (2) and 89 of the ^{M13}Alcoholic Liquor Duties Act 1979; and
- (c) paragraphs 24 to 28.

(3) Section 16 of the ^{M14}Customs Duties (Dumping and Subsidies) Act 1969 (which requires the Secretary of State to lay before Parliament for each financial year a report on the anti-dumping and countervailing duties in force under that Act) shall not apply to any financial year ending after 31st March 1981.

Marginal Citations

M12 [1979 c. 2](#).

M13 [1979 c. 4](#).

M14 [1969 c. 16](#).

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PART II U.K.

12— ^{F11} **U.K.**
15.

Textual Amendments
F11 Ss. 12–15 repealed by Value Added Tax Act 1983 (c. 55), s. 50(2), **Sch. 11**

PART III U.K.

16— ^{F12} **U.K.**
18.

Textual Amendments
F12 Ss. 16–18 repealed by Car Tax Act 1983 (c. 53), s. 10(4), **Sch. 3**

PART IV U.K.

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I U.K.

GENERAL

19— ^{F13} **U.K.**
37.

Textual Amendments
F13 Ss. 19–37 repealed by Income and Corporation Taxes Act 1988 (c. 1), s. 844, **Sch. 31**. See 1987 edition for these provisions.

38 Interest charged to capital. U.K.

(1) ^{F14}

(3) In section 269 of the Taxes Act (interest charged to capital), paragraph (c) together with the word “and” immediately preceding it shall be omitted and for the words following that paragraph there shall be substituted the words “the sums so allowable under the said section 32 shall, subject to subsection (1A) below, include the amount of any interest on that borrowed money which is referable to a period or part of a period ending on or before the disposal.

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(1A) Subsection (1) above has effect subject to section 33 of the said Act of 1979 and does not apply to interest which is a charge on income.”.

(4) This section has effect in relation to interest paid in any accounting period ending on or after 1st April 1981.

Textual Amendments

F14 S. 38(1)(2) repealed by [Income and Corporation Taxes Act 1988 \(c. 1\), s. 844, Sch. 31](#)

Modifications etc. (not altering text)

C3 The text from “the sums” to the end of s. 38(3) 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.

39— ^{F15} **U.K.**
51.

Textual Amendments

F15 Ss. 39–51 repealed by [Income and Corporation Taxes Act 1988 \(c. 1\), s. 844, Sch. 31](#)

CHAPTER II **U.K.**

RELIEF FOR INVESTMENTS IN NEW CORPORATE TRADES

52— ^{F16} **U.K.**
67.

Textual Amendments

F16 Ss. 52–67 repealed by [Income and Corporation Taxes Act 1988 \(c. 1\), s. 844, Sch. 31](#)

CHAPTER III **U.K.**

BENEFITS IN KIND

68— ^{F17} **U.K.**
72.

Textual Amendments

F17 Ss. 68–72 repealed by [Income and Corporation Taxes Act 1988 \(c. 1\), s. 844, Sch. 31](#). See 1987 edition for these provisions.

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CHAPTER IV U.K.

CAPITAL ALLOWANCES

73— ^{F18} U.K.
 77.

Textual Amendments

F18 Ss. 73–77 repealed by [Capital Allowances Act 1990 \(c. 1\)](#), s. 164(4)(5), [Sch. 2](#). See 1989 edition for these provisions.

CHAPTER V U.K.

CAPITAL GAINS

[^{F19}78 U.K.

- (1) ^{F20}
- (2) In subsection (3)(a) of [^{F21}section 79 of the Finance Act 1980] for the words “section 19(3)” there shall be substituted the words “any provision”.
- (3) ^{F22}
- (4) This section applies to disposals after 5th april 1981.]

Textual Amendments

- F19** S. 78 repealed by [Finance Act 1989 \(c. 26\)](#), s. 187, [Sch. 17 Pt. VII](#) in relation to disposals on or after 14 March 1989 (except where relief given under s. 79 of the Finance Act 1980 in respect of a disposal before that date).
- F20** S. 78(1) repealed by [Finance Act 1982 \(c. 39\)](#), ss. 82(4), 157, [Sch. 22 Pt. VI](#) in relation to disposals on or after 6 April 1982.
- F21** Words substituted by [Finance Act 1982 \(c. 39\)](#), [ss. 82\(4\)](#) in relation to disposals on or after 6 April 1982.
- F22** S. 78(3) repealed by [Finance Act 1982 \(c. 39\)](#), ss. 82(4), 157, [Sch. 22 Pt. VI](#) in relation to disposals on or after 6 April 1982.

79 **Emigration of donee.** U.K.

- (1) If—
- [^{F23}(a) relief is given under section 126 of the Capital Gains Tax Act 1979 in respect of a disposal to an individual or the trustees of a settlement or under section 147A of that Act in respect of any disposal (“the relevant disposal”);] and
- (b) at a time when he has not disposed of the asset in question, the transferee becomes neither resident nor ordinarily resident in the United Kingdom,
- then, subject to the following provisions of this section, a chargeable gain shall be deemed to have accrued to the transferee immediately before that time, and its amount

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shall be equal to the held-over gain (within the meaning of [F²⁴section 126 or 147A] on the relevant disposal.

- (2) For the purposes of subsection (1) above the transferee shall be taken to have disposed of an asset before the time there referred to only if he has made a disposal or disposals in connection with which the whole of the held-over gain on the relevant disposal was represented by reductions made in accordance with [F²⁴section 126(3)(b) or 147A(3)(b) of the Capital Gains Tax Act 1979]; and where he has made a disposal in connection with which part of that gain was so represented, the amount of the chargeable gain deemed by virtue of this section to accrue to him shall be correspondingly reduced.
- (3) The disposals by the transferee that are to be taken into account under subsection (2) above shall not include any disposal to which section 44 of the ^{M15}Capital Gains Tax 1979 (disposals between spouses) applies; but where any such disposal is made by the transferee, disposals by his spouse shall be taken into account under subsection (2) above as if they had been made by him.
- (4) Where the relevant disposal was made to an individual, subsection (1) above shall not apply by reason of his becoming neither resident nor ordinarily resident more than six years after the end of the year of assessment in which the relevant disposal was made.
- (5) Subsection (1) above shall not apply where the relevant disposal was made to an individual and—
 - (a) the reason for his becoming neither resident nor ordinarily resident in the United Kingdom is that he works in an employment or office all the duties of which are performed outside the United Kingdom, and
 - (b) he again becomes resident or ordinarily resident in the United Kingdom within the period of three years from the time when he ceases to be so, without having meanwhile disposed of the asset in question;and accordingly no assessment shall be made by virtue of subsection (1) above before the end of the said period of three years in any case where the condition in paragraph (a) above is, and the condition of paragraph (b) above may be, satisfied.
- (6) For the purposes of subsection (5) above a person shall be taken to have disposed of an asset if he has made a disposal in connection with which the whole or part of the held-over gain on the relevant disposal would, had he been resident in the United Kingdom, have been represented by a reduction made in accordance with [F²⁵section 126(3)(b) or 147A(3)(b) of the Capital Gains Tax Act 1979]; and subsection (3) above shall have effect for the purposes of this subsection as it has effect for the purposes of subsection (2) above.
- (7) Where an amount of tax assessed on a transferee by virtue of subsection (1) above is not paid within the period of twelve months beginning with the date when the tax becomes payable then, subject to subsection (8) below, the transferor may be assessed and charged (in the name of the transferee) to all or any part of that tax.
- (8) No assessment shall be made under subsection (7) above more than six years after the end of the year of assessment in which the relevant disposal was made.
- (9) Where the transferor pays an amount of tax in pursuance of subsection (7) above, he shall be entitled to recover a corresponding sum from the transferee.
- (10) Gains on disposals made after a chargeable gain has under this section been deemed to accrue by reference to a held-over gain shall be computed without any reduction under

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[^{F25}section 126(3)(b) or 147A(3)(b) of the Capital Gains Tax Act 1979] in respect of that held-over gain.

Textual Amendments

- F23** Words substituted by Finance Act 1989 (c. 26), s. 124, Sch. 14 para. 6(3) in relation to disposals on or after 14 March 1989 (except where relief given under s. 79 of the Finance Act 1980 in respect of a disposal before that date). Previously “(a) relief under section 79 of the Finance Act 1980 is given in respect of a disposal made after 5th April 1981 (“the relevant disposal”)”.
- F24** Words substituted by Finance Act 1989 (c. 26), s. 124, Sch. 14 para. 6(3) in relation to disposals on or after 14 March 1989 (except where relief given under s. 79 of the Finance Act 1980 in respect of a disposal before that date). Previously, “the said section 79” and “subsection (1)(b) of the the said section 79”.
- F25** Words substituted by Finance Act 1989 (c. 26), s. 124, Sch. 14 para. 6(3)(b) on or after 14 March 1989 (except where relief given under s. 79 of the Finance Act 1980 in respect of a disposal before that date). Previously, “section 79(1)(b) of the Finance Act 1980”.

Modifications etc. (not altering text)

- C4** See Finance Act 1986 (c. 41), s. 58(5)—application of s. 79 to the held-over gains of trusts which become dual resident trusts on or after 18 March 1986.
- C5** See Finance Act 1988 (c. 39, SIF 63:1, 2), Sch. 9 para. 3—deferred charges on gains before 31st March 1982.

Marginal Citations

- M15** 1979 c. 14.

80 Gains of non-resident settlements. **U.K.**

- (1) This section applies to a settlement for any year of assessment (beginning on or after 6th April 1981) during which the trustees are at no time resident or ordinarily resident in the United Kingdom if the settlor or one of the settlors is at any time during that year, or was when he made his settlement, domiciled and either resident or ordinarily resident in the United Kingdom.
- (2) There shall be computed in respect of every year of assessment for which this section applies the amount on which the trustees would have been chargeable to tax under section 4(1) of the ^{M16}Capital Gains Tax Act 1979 if they had been resident or ordinarily resident in the United Kingdom in the year; and that amount, together with the corresponding amount in respect of any earlier such year so far as not already treated under subsection (3) or section 81(2) below as chargeable gains accruing to beneficiaries under the settlement, is in this section and sections 81 and 82 below referred to as the trust gains for the year.
- (3) Subject to the following provisions of this section, the trust gains for a year of assessment shall be treated as chargeable gains accruing in that year to beneficiaries of the settlement who receive capital payments from the trustees in that year or have received such payments in any earlier year.
- (4) The attribution of chargeable gains to beneficiaries under subsection (3) above shall be made in proportion to, but shall not exceed, the amounts of the capital payments received by them.

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- (5) A capital payment shall be left out of account for the purposes of subsections (3) and (4) above to the extent that chargeable gains have by reason of the payment been treated as accruing to the recipient in an earlier year.
- (6) A beneficiary shall not be charged to tax on chargeable gains treated by virtue of subsection (3) above as accruing to him in any year unless he is domiciled in the United Kingdom at some time in that year.
- (7) For the purposes of this section a settlement arising under a will or intestacy shall be treated as made by the testator or intestate at the time of his death.
- (8) Section 17 of the Capital Gains Tax Act 1979 shall not apply as respects chargeable gains accruing to the trustees of a settlement after 5th April 1981; and the references in subsections (3) and (4) above to capital payments received by beneficiaries do not include references to any payment received before 10th March 1981, or any payment received on or after that date [^{F26}and before the 6th April 1984] so far as it represents a chargeable gain which accrued to the trustees before 6th April 1981.

Textual Amendments

F26 Words inserted by [Finance Act 1984 \(c. 43\), s. 70\(3\)](#)

Modifications etc. (not altering text)

- C6** See [Income and Corporation Taxes 1988 \(c. 1, SIF 63:1\), s. 762](#)—ss. 80 to 84 to have effect for offshore income gains subject to 1988 s. 762(4) and to the modifications contained in 1988 s. 762.
- C7** See [Finance Act 1984 \(c. 43\), s. 70, Sch. 14 paras. 7\(5\), 8\(3\)\(4\), 12\(2\)](#)—capital payments to be left out of account for the purposes of s. 80(3)(4) where postponement of capital gains tax under 1984 Sch. 14

Marginal Citations

M16 1979 c. 14.

VALID FROM 25/07/1991

[80A ^{F27} **Gains of dual-resident settlements.** **U.K.**

- (1) Section 80 above also applies to a settlement for any year of assessment beginning on or after 6th April 1991 if—
 - (a) the trustees are resident in the United Kingdom during any part of the year or ordinarily resident in the United Kingdom during the year,
 - (b) at any time of such residence or ordinary residence they fall to be regarded for the purposes of any double taxation relief arrangements as resident in a territory outside the United Kingdom, and
 - (c) the settlor or one of the settlors is at any time during that year, or was when he made his settlement, domiciled and either resident or ordinarily resident in the United Kingdom;

and “double taxation relief arrangements” here means arrangements having effect by virtue of section 788 of the Taxes Act 1988 (as extended to capital gains tax by section 10 of the Capital Gains Tax Act 1979).

- (2) In respect of every year of assessment for which section 80 above applies by virtue of this section, section 80 shall have effect as if the amount to be computed under

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section 80(2) were the assumed chargeable amount; and the reference in section 80(2) to the corresponding amount in respect of an earlier year shall be construed as a reference to the amount computed under section 80(2) apart from this section or (as the case may be) the amount computed under section 80(2) by virtue of this section.

- (3) For the purposes of subsection (2) above the assumed chargeable amount in respect of a year of assessment is the lesser of the following two amounts—
- (a) the amount on which the trustees would be chargeable to tax for the year under section 4(1) of the Capital Gains Tax Act 1979 on the assumption that the double taxation relief arrangements did not apply;
 - (b) the amount on which, by virtue of disposals of protected assets, the trustees would be chargeable to tax for the year under section 4(1) of that Act on the assumption that those arrangements did not apply.
- (4) For the purposes of subsection (3)(b) above assets are protected assets if—
- (a) they are of a description specified in the double taxation relief arrangements, and
 - (b) were the trustees to dispose of them at any relevant time, the trustees would fall to be regarded for the purposes of the arrangements as not liable in the United Kingdom to tax on gains accruing to them on the disposal.
- (5) For the purposes of subsection (4) above—
- (a) the assumption specified in subsection (3)(b) above shall be ignored;
 - (b) a relevant time is any time, in the year of assessment concerned, when the trustees fall to be regarded for the purposes of the arrangements as resident in a territory outside the United Kingdom;
 - (c) if different assets are identified by reference to different relevant times, all of them are protected assets.
- (6) In computing the assumed chargeable amount in respect of a particular year of assessment, the effect of Schedule 10 to the Finance Act 1988 (settlor chargeable instead of trustees in certain circumstances) shall be ignored.
- (7) For the purposes of section 80 above as it applies by virtue of this section, capital payments received before 6th April 1991 shall be disregarded.]

Textual Amendments

F27 S. 80A inserted by Finance Act 1991 (c. 31, SIF 63:2), s. 91, Sch. 18, para.2.

Modifications etc. (not altering text)

C8 S. 80A: definition of "capital payment" applied by Finance Act 1991 (c. 31, SIF 63:2), s. 90, Sch. 17 para. 1(c).

81 Migrant settlements. U.K.

- (1) Where a period of one or more years of assessment for which section 80 above applies to a settlement (in this section referred to as a “non-resident period”) succeeds a period of one or more years of assessment in each of which the trustees were at some time resident or ordinarily resident in the United Kingdom (in this section referred to as a “resident period”), a capital payment received by a beneficiary in the resident period

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shall be disregarded for the purposes of section 80 if it was not made in anticipation of a disposal made by the trustees in the non-resident period.

- (2) Where—
- (a) a non-resident period is succeeded by a resident period, and
 - (b) the trust gains for the last year of the non-resident period are not (or not wholly) treated as chargeable gains accruing in that year to beneficiaries,
- then, subject to subsection (3) below, those trust gains (or the outstanding part of them) shall be treated as chargeable gains accruing in the first year of the resident period to beneficiaries of the settlement who receive capital payments from the trustees in that year; and so on for the second and subsequent years until the amount treated as accruing to beneficiaries is equal to the amount of the trust gains for the last year of the non-resident period.
- (3) Subsections (4) and (6) of section 80 above shall apply in relation to subsection (2) above as they apply in relation to subsection (3) of that section

82 Transfers between settlements. **U.K.**

- (1) If in a year of assessment for which section 80 or 81(2) above applies to a settlement (“the transferor settlement”) the trustees transfer all or part of the settled property to the trustees of another settlement (“the transferee settlement”) then, subject to the following provisions—
- (a) if section 80 applies to the transferee settlement for the year, its trust gains for the year shall be treated as increased by an amount equal to the outstanding trust gains for the year of the transferor settlement or, where part only of the settled property is transferred, to a proportionate part of those trust gains;
 - (b) if section 81(2) applies to the transferee settlement for year (otherwise than by virtue of paragraph (c) below), the trust gains referred to in section 81(2) shall be treated as increased by the amount mentioned in paragraph (a) above;
 - (c) if (apart from this paragraph) neither section 80 nor section 81(2) above applies to the transferee settlement for the year, section 81(2) shall apply to it as if the year were the first year of a resident period succeeding a non-resident period and the trust gains referred to in section 81(2) were equal to the amount mentioned in paragraph (a) above.
- (2) Subject to subsection (3) below, the reference in subsection (1)(a) above to the outstanding trust gains for the year of the transferor settlement is a reference to the amount of its trust gains for the year so far as they are not treated under section 80(3) above as chargeable gains accruing to beneficiaries in that year.
- (3) Where section 81(2) above applies to the transferor settlement for the year, the reference in subsection (1)(a) above to the outstanding trust gains of the settlement is a reference to the trust gains referred to in section 81(2) so far as not treated as chargeable gains accruing to beneficiaries in that or an earlier year.
- (4) This section shall not apply to a transfer so far as it is made for consideration in money or money’s worth.

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VALID FROM 25/07/1991

[82A ^{F28} **Payments by and to companies.** **U.K.**

- (1) Where a capital payment is received from a qualifying company which is controlled by the trustees of a settlement at the time it is received, for the purposes of sections 80 to 82 above it shall be treated as received from the trustees.
- (2) Where a capital payment is received from the trustees of a settlement (or treated as so received by virtue of subsection (1) above) and it is received by a non-resident qualifying company, the rules in subsections (3) to (6) below shall apply for the purposes of sections 80 to 82 above.
- (3) If the company is controlled by one person alone at the time the payment is received, and that person is then resident or ordinarily resident in the United Kingdom, it shall be treated as a capital payment received by that person.
- (4) If the company is controlled by two or more persons (taking each one separately) at the time the payment is received, then—
 - (a) if one of them is then resident or ordinarily resident in the United Kingdom, it shall be treated as a capital payment received by that person;
 - (b) if two or more of them are then resident or ordinarily resident in the United Kingdom (the residents) it shall be treated as being as many equal capital payments as there are residents and each of them shall be treated as receiving one of the payments.
- (5) If the company is controlled by two or more persons (taking them together) at the time the payment is received and each of them is then resident or ordinarily resident in the United Kingdom—
 - (a) it shall be treated as being as many capital payments as there are participators in the company at the time it is received, and
 - (b) each such participator (whatever his residence or ordinary residence) shall be treated as receiving one of the payments, quantified on the basis of a just and reasonable apportionment.
- (6) But where (by virtue of subsection (5) above and apart from this subsection) a participator would be treated as receiving less than one twentieth of the payment actually received by the company, he shall not be treated as receiving anything by virtue of subsection (5) above.
- (7) For the purposes of subsection (1) above a qualifying company is a close company or a company which would be a close company if it were resident in the United Kingdom.
- (8) For the purposes of subsection (1) above a company is controlled by the trustees of a settlement if it is controlled by the trustees alone or by the trustees together with a person who (or persons each of whom) falls within subsection (9) below.
- (9) A person falls within this subsection if—
 - (a) he is a settlor in relation to the settlement, or
 - (b) he is connected with a person falling within paragraph (a) above.

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- (10) For the purposes of subsection (2) above a non-resident qualifying company is a company which is not resident in the United Kingdom and would be a close company if it were so resident.
- (11) For the purposes of this section the question whether a company is controlled by a person or persons shall be construed in accordance with section 416 of the Taxes Act 1988; but in deciding that question for those purposes no rights or powers of (or attributed to) an associate or associates of a person shall be attributed to him under section 416(6) if he is not a participator in the company.
- (12) In this section “participator” has the meaning given by section 417(1) of the Taxes Act 1988.
- (13) This section shall apply to payments received on or after 19th March 1991.]

Textual Amendments

F28 S. 82A inserted by Finance Act 1991 (c. 31, SIF 63:2), s. 91, Sch. 18 para.4

Modifications etc. (not altering text)

C9 S. 82A: definition of "capital payment" applied by Finance Act 1991 (c. 31, SIF 63:2), s. 90, Sch. 17 para. 1(c).

83 Provisions supplementary to sections 80 to 82. **U.K.**

- (1) In sections 80 to 82 above “capital payment” means any payment which is not chargeable to income tax on the beneficiary or, in the case of a beneficiary who is neither resident nor ordinarily resident in the United Kingdom, any payment received otherwise than as income.
- (2) In subsection (1) above references to a payment include references to the transfer of an asset and the conferring of any other benefit, and to any occasion on which settled property becomes property to which section 46 of the ^{M17}Capital Gains Tax Act 1979 applies.
- (3) The fact that the whole or part of a benefit is by virtue of [^{F29}section 740(2)(b) of the Taxes Act] treated as the recipient’s income for a year of assessment after that in which it is received—
 - (a) shall not prevent the benefit or that part of it being treated for the purposes of sections 80 to 82 above as a capital payment in relation to any year of assessment earlier than that in which it is treated as his income; but
 - (b) shall preclude its being treated for those purposes as a capital payment in relation to that or any later year of assessment.
- (4) For the purposes of sections 80 to 82 above the amount of a capital payment made by way of loan, and of any other capital payment which is not an outright payment of money, shall be taken to be equal to the value of the benefit conferred by it.
- (5) For the purposes of sections 80 to 82 above a capital payment shall be regarded as received by a beneficiary from the trustees of a settlement if—
 - (a) he receives it from them directly or indirectly, or

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- (b) it is directly or indirectly applied by them in payment of any debt of his or is otherwise paid or applied for his benefit, or
 - (c) it is received by a third person at the beneficiary's direction.
- (6) Section 29(3) of the ^{M18}Capital Gains Tax Act 1979 (losses accruing to non-residents not to be allowable losses) shall not prevent losses accruing to trustees in a year of assessment for which section 80 above or section 17 of that Act applied to the settlement from being allowed as a deduction from chargeable gains accruing in any later year beginning after 5th April 1981 (so far as they have not previously been set against gains for the purposes of a computation under either of those sections or otherwise).

[^{F30}(7) In sections 80 to 82 above and in the preceding provisions of this section—
 “settlement” and “settlor” have the meaning given by section [^{F31}681(4)] of the Taxes Act and “settlor” includes, in the case of a settlement arising under a will or intestacy, the testator or intestate; and
 “settled property” shall be construed accordingly.]

Textual Amendments

- F29** Words substituted by Finance Act 1990 (c. 29), s. 89, Sch. 14 para. 18 (correction of errors)—treated as if made by Income and Corporation Tax Act 1988. Previously “section 45(2)(b) above”.
- F30** S. 83(7) added by Finance Act 1984 (c. 43), s. 71
- F31** Words substituted by Income and Corporation Taxes Act 1988, Sch. 29 para. 32

Modifications etc. (not altering text)

- C10** See Finance Act 1984 (c. 43), s. 70(1), Sch. 14 para. 1(2)—subject to 1984 s. 70(4), s. 83 to apply for the purposes of 1984 Sch. 14 as it does for 1981 ss. 80 to 82.

Marginal Citations

- M17** 1979 c. 14.
M18 1979 c. 14.

84 Power to obtain information for purposes of sections 80 to 82. U.K.

- (1) The Board may by notice in writing require any person to furnish them within such time as they may direct, not being less than twenty-eight days, with such particulars as they think necessary for the purposes of sections 80 to 82 above.
- (2) Subsections (2) to (4) of section 481 of the Taxes Act shall have effect in relation to subsection (1) above as they have effect in relation to section [^{F32}745(1)], but in their application by virtue of this subsection—
 - (a) references to Chapter III of Part XVII of the Taxes Act shall be construed as references to sections 80 to 82 above; and
 - (b) the expressions “settlement” and “settlor” have the same meanings as in those sections.

Textual Amendments

- F32** Words substituted by Income and Corporation Taxes Act 1988 (c. 1), Sch. 29 para. 32

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85 Non-resident trustees and non-resident companies. U.K.

- (1) The persons treated by section 15 of the Capital Gains Tax Act 1979 as if a part of a chargeable gain accruing to a company had accrued to them shall include trustees owning shares in the company if when the gain accrues to the company the trustees are neither resident nor ordinarily resident in the United Kingdom.
- (2) This section applies to gains accruing to a company on or after 10th March 1981.

86 Transfers into settlement. U.K.

- (1) In section 53 of the ^{M19}Capital Gains Tax Act 1979 (which provides that a gift in settlement is a disposal of the entire property settled notwithstanding that the donor is a beneficiary or trustee) for the words “gift in” and “donor” there shall be substituted the words “transfer into” and “transferor” respectively.
- (2) This section shall be deemed to have come into force on the 10th March 1981.

Marginal Citations

M19 1979 c. 14.

87 Appointments to persons under disability. U.K.

- (1) In section 54 of the Capital Gains Tax Act 1979 (deemed disposal for market value when a person becomes absolutely entitled to settled property) after subsection (2) there shall be added—
 - “(3) References in this section to the case where a person becomes absolutely entitled to settled property as against the trustee shall be taken to include references to the case where a person would become so entitled but for being an infant or other person under disability.”
- (2) In section 56(1) of that Act (death of life tenant) after the word “becomes” there shall be inserted the words “(or would but for a disability become)”.
- (3) This section applies where the occasion concerned occurs on or after 10th March 1981.

Modifications etc. (not altering text)

C11 The text beginning “(3) References in this section” to the end of s. 87(1) 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.

88 Disposal of interests in non-resident settlements. U.K.

- (1) Subsection (1) of section 58 of the Capital Gains Tax Act 1979 shall not apply to the disposal of an interest in settled property, other than one treated under subsection (2) of that section as made in consideration of obtaining the settled property, if at the time of the disposal the trustees are neither resident nor ordinarily resident in the United Kingdom.
- (2) If—

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- (a) a gain accrues to a person (“the transferor”) on the disposal by him of an interest in settled property but, by reason of section 58(1) of the Capital Gains Tax Act 1979, it is not a chargeable gain, and
 - (b) at any time after the disposal the trustees of the settlement become neither resident nor ordinarily resident in the United Kingdom,
- then, subject to subsection (3) below, a chargeable gain shall be deemed to have accrued to the trustees immediately before that time, and its amount shall be equal to that of the gain which accrued to the transferor
- (3) Subsection (2) above shall not apply if, before the end of the year in which they become neither resident nor ordinarily resident, the trustees have disposed of all the assets which, when the transferor disposed of his interest, constituted the settled property in which the interest subsisted; and where under that subsection a chargeable gain is deemed to accrue to the trustees at any time its amount shall not exceed the market value at that time of such of those assets as have not been disposed of by the trustees before the end of that year.
 - (4) For the purposes of subsection (3) above the trustees shall be regarded as not having disposed of an asset if and to the extent that they retain part of it, an interest in or right over it, or property derived from it.
 - (5) Where an amount of tax assessed on trustees by virtue of this section is not paid within the period of twelve months beginning with the date when the tax becomes payable, the transferor may be assessed and charged (in the name of the trustees) to all or any part of that tax but no assessment may be made under this subsection after the end of the period of six years beginning with the date when the transferor disposed of his interest.
 - (6) Where the transferor pays an amount of tax in pursuance of subsection (5) above, he shall be entitled to recover a corresponding sum from the trustees.
 - (7) This section applies to disposals on or after 10th March 1981.

^{x11}89 **Trusts for the disabled. U.K.**

- (1) Paragraph 5 of Schedule 1 to the ^{M20}Capital Gains Tax Act 1979 (which extends to certain trusts for the disabled the £3,000 exemption given to individuals by section 5) shall be amended as follows.
- (2) In sub-paragraph (1) for the words from “any of the property” to “that person” there shall be substituted the words—
 - “(a) not less than half of the property which is applied is applied for the benefit of that person, and
 - (b) that person is entitled to not less than half of the income arising from the property, or no such income may be applied for the benefit of any other person.”
- (3) After sub-paragraph (1) there shall be inserted—
 - “(1A) The trusts on which settled property is held shall not be treated as falling outside sub-paragraph (1) above by reason only of the powers conferred on the trustees by section 32 of the Trustee Act 1925 or section 33 of the Trustee Act (Northern Ireland) 1958 (powers of advancement); and the reference in that sub-paragraph to the life-time of a person shall, where the income from

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the settled property is held for his benefit on trusts of the kind described in section 33 of the Trustee Act 1925 (protective trusts), be construed as a reference to the period during which the income is held on trust for him.

(1B) In relation to a settlement which is one of two or more qualifying settlements comprised in a group, this paragraph shall have effect as if for the references in section 5 of this Act to £3,000 there were substituted references to £300 or, if it is more, to such amount as results from dividing £3,000 by the number of settlements in the group.

(1C) For the purposes of sub-paragraph (1B) above—

- (a) a qualifying settlement is any settlement (other than an excluded settlement) which is made on or after 10th March 1981 and to the trustees of which this paragraph applies for the year of assessment; and
- (b) all qualifying settlements in relation to which the same person is the settlor constitute a group.

(1D) If, in consequence of two or more persons being settlors in relation to it, a settlement is comprised in two or more groups comprising different numbers of settlements, sub-paragraph (1B) above shall apply to it as if the number by which the amount of £3,000 is to be divided were the number of settlements in the largest group.”

(4) At the end of sub-paragraph (2) there shall be added the words “; and “settlor” and “excluded settlement” have the same meanings as in paragraph 6 below”.

(5) After sub-paragraph (2) there shall be added—

“(3) An inspector may by notice in writing require any person, being a party to a settlement, to furnish him within such time as he may direct (not being less than twenty-eight days) with such particulars as he thinks necessary for the purposes of this paragraph.”

Editorial Information

X11 The text of part of ss. 89, 90, 91, 114, 116, 119 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.

Marginal Citations

M20 1979 c. 14.

^{x12}90 **Market value.** **U.K.**

(1) After section 29 of the Capital Gains Tax Act 1979 there shall be inserted—

“29A Disposals and acquisitions treated as made at market value.

(1) Subject to the provisions of this Act, a person’s acquisition or disposal of an asset shall for the purposes of this Act be deemed to be for a consideration equal to the market value of the asset—

- (a) where he acquires or, as the case may be, disposes of the asset otherwise than by way of a bargain made at arm’s length, and in

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- particular where he acquires or disposes of it by way of gift or on a transfer into settlement by a settlor or by way of distribution from a company in respect of shares in the company, or
- (b) where he acquires or, as the case may be, disposes of the asset wholly or partly for a consideration that cannot be valued, or in connection with his own or another's loss of office or employment or diminution of emoluments, or otherwise in consideration for or recognition of his or another's services or past services in any office or employment or of any other service rendered or to be rendered by him or another.
- (2) Except in the case specified in subsection (4) below, subsection (1) above shall not apply to the acquisition of an asset if—
- (a) there is no corresponding disposal of it, or the corresponding disposal is made by an excluded person, and
- (b) there is no consideration in money or money's worth or the consideration is of an amount or value lower than the market value of the asset.
- (3) Where in the case of an acquisition within subsection (2) above there is a corresponding disposal by an excluded person, subsection (1) above shall not apply to that disposal.
- (4) The exception referred to in subsection (2) above is the acquisition by an individual of tangible movable property or currency in circumstances where there is a corresponding disposal by an individual who is neither resident nor ordinarily resident in the United Kingdom ; and for this purpose "tangible movable property" does not include commodities of a kind dealt with on a terminal market, or a mere right in or over any property.
- (5) In this section "excluded person" means—
- (a) a person who is neither resident nor ordinarily resident in the United Kingdom ; or
- (b) a person who is wholly exempt from tax in respect of chargeable gains, or would be so exempt on making a claim for exemption ; or
- (c) a charity ; or
- (d) a registered friendly society ; or
- (e) a person making the disposal for the purposes of—
- (i) a fund to which section 218 or 226(6) of the Taxes Act or section 36 of the Finance Act 1980 applies, or
- (ii) an exempt approved scheme or statutory scheme as defined in Chapter II of Part II of the Finance Act 1970."
- (2) In section 32 of the ^{M21}Capital Gains Tax Act 1979 (allowance of expenditure in computation of gains) after subsection (4) there shall be added—
- “(5) Where—
- (a) a person acquires an asset for no consideration in money or money's worth or for a consideration of an amount or value lower than the market value of the asset, and is not treated under any provision of this Act as acquiring it for a consideration other than the actual consideration, and
- (b) there is a corresponding disposal of the asset by a person who is neither resident nor ordinarily resident in the United Kingdom, and

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- (c) a charge to income tax, corporation tax or capital gains tax arises in respect of the acquisition,
- the sums allowable under this section as a deduction in the computation made on the first-mentioned person's disposal of the asset shall include a sum equal to the amount in respect of which the charge arises.
- (6) The condition in paragraph (c) of subsection (5) above shall be taken to be satisfied where under section 80(3) of the Finance Act 1981 chargeable gains are treated as accruing to a person in any year by reason of his acquisition of an asset in that or an earlier year; and the reference in subsection (5) above to the amount in respect of which the charge arises shall be taken to be a reference to the amount of the gains treated as accruing to him.”.
- (3) Subsection (3) of section 19 of the ^{M22} Capital Gains Tax Act 1979 (which is superseded by this section) shall cease to have effect; and—
- (a) for the references to that subsection (or to a paragraph of it) in sections 49(5), 62(2), 90(3), 126(6), 146(2) and 149(2) of that Act and in section 47(1)(b)(ii) of the ^{M23} Finance Act 1980 there shall be substituted references to section 29A(1) of the said Act of 1979; and
- (b) In section 62(5) of that Act for the words “the amount of the consideration for the acquisition being” there shall be substituted the words “where the amount of the consideration for the acquisition is”.
- (4) This section has effect in relation to acquisitions and disposals on or after 10th March 1981.

Editorial Information

X12 The text of part of ss. 89, 90, 91, 114, 116, 119 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.

Marginal Citations

M21 1979 c. 14.
M22 1979 c. 14.
M23 1980 c. 48.

^{X13}91 Consideration on reorganisation of share capital etc. **U.K.**

- (1) In section 79 of the Capital Gains Tax Act 1979 at the end of subsection (1) there shall be added—
- “Provided also that, in the case of a reorganisation on or after 10th March 1981, any consideration given for the new holding or any part of it otherwise than by way of a bargain made at arm's length shall be disregarded to the extent that its amount or value exceeds the relevant increase in value; and for this purpose “the relevant increase in value” means the amount by which the market value of the new holding immediately after the reorganisation exceeds the market value of the original shares immediately before the reorganisation.”.
- (2) In consequence of subsection (1) above—

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- (a) in section 89(2) of the Capital Gains Tax Act 1979, for the word “proviso” there shall be substituted the word “provisos”; and
- (b) in section 37(12) of the Finance Act 1980, in the definition of “new consideration”, for the words “the proviso” there shall be substituted the words “the first proviso”.

Editorial Information

X13 The text of part of ss. 89, 90, 91, 114, 116, 119 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.

PART V U.K.

CAPITAL TRANSFER TAX

92— ^{F33} **U.K.**
 95.

Textual Amendments

F33 Ss. 92–95 repealed by Capital Transfer Tax Act 1984 (c. 51), ss. 274, 277, Schs. 7, 9

96 **U.K.**

- (1) ^{F34}
- (3) ^{F35}
- (e) ^{F35}
- (4) ^{F36}

Textual Amendments

- F34** S. 96(1)(2) repealed by Capital Transfer Tax Act 1984 (c. 51), ss. 274, 277, Schs. 7, 9
- F35** S. 96(3)(e) repealed by Finance Act 1989 (c. 26, SIF 63:2), s. 187(1), **Sch. 17 Pt. VII** Note 7
- F36** S. 96(4) repealed by Finance Act 1989 (c. 26, SIF 63:2), s. 187(1), **Sch. 17 Pt. VII** Note 7

97— ^{F37} **U.K.**
 106.

Textual Amendments

F37 Ss. 97–106 repealed by Capital Transfer Tax Act 1984 (c. 51), ss. 274, 277, Schs. 7, 9

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PART VI U.K.

STAMP DUTY

107 Sale of houses at discount by local authorities etc. U.K.

(1) Where a conveyance or transfer to which this section applies is subject contingently to the payment of any money (whether by virtue of that conveyance or transfer or otherwise), then, notwithstanding section 57 of the ^{M24}Stamp Act 1891, that money shall not be deemed to be part of the consideration in respect of which the conveyance or transfer is chargeable with ad valorem duty.

(2) ^{F38}

(3) This section applies to any conveyance or transfer on sale of a dwelling-house (including the grant of a lease) at a discount by—

- (a) any Minister of the Crown or Northern Ireland department;
- (b) a [^{F39}local housing authority within the meaning of the Housing Act 1985], a county council, a district council within the meaning of the ^{M25}Local Government Act (Northern Ireland) 1972 or in Scotland a regional, district or islands council, the common good of such a council or any trust under its control;
- (c) the Housing Corporation;
- [^{F40}(ca) Housing for Wales]
- (d) the [^{F41}Scottish Homes];
- (e) the Northern Ireland Housing Executive;
- (f) a housing association registered under [^{F42}the Housing Associations Act 1985] or Article 124 of the ^{M26}Housing (Northern Ireland) Order 1981;
- [^{F43}(ff) a housing action trust established under Part III of the Housing Act 1988;]
- (g) a development corporation established by an order made or having effect as if made under the ^{M27}New Towns Act 1965 or the ^{M28}New Towns (Scotland) Act 1968 or an urban development corporation established by an order made under section 135 of the ^{M29}Local Government, Planning and Land Act 1980;
- (h) the Commission for the New Towns or a new town commission established under section 7 of the ^{M30}New Towns Act (Northern Ireland) 1965;
- (i) the Development Board for Rural Wales;
- (j) the Council of the Isles of Scilly;
- (k) a police authority within the meaning of section 62(b) of the ^{M31}Police Act 1964 or section 2(1) or 19(9)(b) of the ^{M32}Police (Scotland) Act 1967, or the Police Authority for Northern Ireland;
- (l) an Education and Libraries Board established under the ^{M33}Education and Libraries (Northern Ireland) Order 1972;
- (m) any person mentioned in paragraph (e), (i), (j) or (l) of section 1(10) of the ^{M34}Tenants' Rights, Etc. (Scotland) Act 1980.
- [^{F44}(n) the United Kingdom Atomic Energy Authority]
- [^{F45}(o) such other body as the Treasury may, by order made by statutory instrument, prescribe for the purposes of this section]

[^{F46}(3A) This section also applies to any conveyance or transfer on sale of a dwelling house where the conveyance or transfer is made pursuant to a sub-sale made at a discount by a body falling within subsection (3)(f) above.]

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[^{F47}(3B) This section also applies to a conveyance or transfer on sale (including the grant of a lease) by a person against whom the right to buy under Part V of the Housing Act 1985 is exercisable by virtue of section 171A of that Act (preservation of right to buy on disposal to private sector landlord) to a person who is the qualifying person for the purposes of the preserved right to buy and in relation to whom that dwelling-house is the qualifying dwelling-house.]

(4) This section applies to instruments executed on or after 23rd March 1981 and shall be deemed to have come into force on that date.

Textual Amendments

- F38** S. 107(2) repealed by Finance Act 1985 (c. 54, SIF 114), s. 98(6), **Sch. 27 Pt. IX(1)**
- F39** Words substituted by Housing (Consequential Provisions) Act 1985 (c. 71, SIF 61), s. 4, **Sch. 2 para. 48(a)**
- F40** S. 107(3)(ca) inserted (E.W.S.) by Housing Act 1988 (c. 50, SIF 61), s. 140, **Sch. 17 Pt. II para. 105**
- F41** Reference to Scottish Homes substituted (E.W.S.) for the reference to Scottish Special Housing Association by Housing (Scotland) Act (c. 43, SIF 61), Ss. 1, 3 Sch. 2 para. 1
- F42** Words substituted by Housing (Consequential Provisions) Act 1985 (c. 71, SIF 61), s. 4, **Sch. 2 para. 48(b)**
- F43** S. 107(3)(ff) inserted by Finance Act 1988 (c. 39, SIF 114), **s. 142(2)**
- F44** S. 107(3)(n) added by Finance Act 1984 (c. 43, SIF 114), **s. 110(1)(2)(4)**
- F45** S. 107(3)(o) added by Finance Act 1984 (c. 43, SIF 114), **s. 110(5)**
- F46** S. 107(3A) added by Finance Act 1984 (c. 43, SIF 114), **s. 110(1)(3)(4)**
- F47** S. 107(3B) inserted (*prosp.*) by Housing and Planning Act 1986 (c. 63, SIF 114), s. 24(1)(2), **Sch. 5 Pt. II para. 18.**

Modifications etc. (not altering text)

- C12** S. 107 applied by S.I. 1986/2092, **art. 12**

Marginal Citations

- M24** 1891 c. 39.
- M25** 1972 c. 9 (N.I.)
- M26** S.I. 1981/156 (N.I. 3).
- M27** 1965 c. 59.
- M28** 1968 c. 16.
- M29** 1980 c. 65.
- M30** 1965 c. 13. (N.I.)
- M31** 1964 c. 48.
- M32** 1967 c. 77.
- M33** S.I. 1972/1263 (N.I. 12).
- M34** 1980 c. 52.

108 Shared ownership transactions. **U.K.**

(1) Section 97 of the ^{M35}Finance Act 1980 (shared ownership transactions) shall have effect with the amendments specified in subsections (2) to (4) below.

^{x14}(2) In subsection (1) after the word “value” there shall be inserted the words “ or sum ”.

^{x14}(3) In subsection (2)—

(a) for paragraph (b) there shall be substituted—

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- “(b) is granted partly in consideration of a premium calculated by reference to—
- (i) the market value of the dwelling, or
 - (ii) a sum calculated by reference to that value, and partly in consideration of rent” ; and
- (b) in paragraph (d) for the words “paragraph (b) above” there shall be substituted the words “ paragraph (b)(i) above or, as the case may be, the sum referred to in paragraph (b) (ii) above ” and at the end there shall be added the words “ or as the case may be, to that sum ”.
- ^{X14}(4) In subsection (3)(b) for the reference to Article 13 of the ^{M36}Housing (Northern Ireland) Order 1976 there shall be substituted a reference to Article 124 of the Housing (Northern Ireland) Order 1981.
- (5) Where a lease is granted by a body mentioned in subsection (3) of the said section 97 which—
- (a) is of a dwelling for the exclusive use of the lessee or, if there are joint lessees, of those lessees;
 - (b) provides that the lessee may on payment of a sum require the terms of the lease to be altered so that the rent payable under it is reduced;
 - (c) is granted partly in consideration of rent and partly in consideration of a premium calculated by reference to—
 - (i) the premium obtainable on the open market for the grant of a lease containing the same terms as the lease but with the substitution for the rent payable under the lease of the minimum rent, or
 - (ii) a sum calculated by reference to that premium; and
 - (d) contains a statement of the minimum rent and the premium referred to in paragraph (c)(i) above or, as the case may be, the sum referred to in paragraph (c)(ii) above and a statement to the effect that the parties intend duty to be charged in accordance with this section by reference to that rent and that premium or, as the case may be, that sum,
- the lease shall be chargeable to stamp duty as if the premium paid by the lessee were equal to the premium or, as the case may be, the sum, stated in the lease in accordance with paragraph (d) above and the rent payable were as so stated.
- (6) In subsection (5) above “minimum rent” in relation to any lease means the lowest rent which could become payable under the lease if it were altered as mentioned in paragraph (b) of that subsection at the date when the lease is granted.
- (7) This section applies to instruments executed on or after 23rd March 1981 and shall be deemed to have come into force on that date.

Editorial Information

X14 The text of s. 108(2)-(4) 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.

Modifications etc. (not altering text)

C13 S. 108(5)(6) extended by [Finance Act 1987 \(c. 16, SIF 114\)](#), s. 54(2)-(4)

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Marginal Citations

M35 1980 c. 48.

M36 S.I 1981/156 (N.I. 3).

109 ^{F48} **U.K.**

Textual Amendments

F48 S. 109 repealed by Finance Act 1986 (c. 41, SIF 40:1), s. 114, Sch. 23 Pt. IX(2)

110 Pooled pension funds. **U.K.**

In Part VII of the ^{M37}Finance Act 1946, Part III of the ^{M38}Finance (No. 2) Act (Northern Ireland) 1946, . . . ^{F49} the references to unit trust schemes shall be deemed not to include references to common investment arrangements made by the trustees of exempt approved schemes (within the meaning of section [^{F50}592(1) of the Taxes Act]) solely for the purposes of the schemes.

Textual Amendments

F49 Words repealed by Finance Act 1988 (c. 39, SIF 114), s. 148, Sch. 14 Pt. XI

F50 Words substituted by Finance Act 1988 (c. 39, SIF 114), s. 146, Sch. 13 Pt. II paras. 21, 25

Marginal Citations

M37 1946 c. 64.

M38 1946 c. 17 (N.I.)

PART VII **U.K.**

PETROLEUM REVENUE TAX

111 Restriction of expenditure supplement. **U.K.**

- (1) Expenditure taken into account under section 2(9) (b)(i) or (c)(i) of the ^{M39}Oil Taxation Act 1975 (“the principal Act”) in computing the assessable profit or allowable loss accruing to a participator in a chargeable period from an oil field shall not qualify for supplement under section 2(9)(b)(ii) or (c)(ii) of that Act if it is incurred after the end of the chargeable period (“the net profit period”) [^{F51}which is the earliest chargeable period ending after a development decision has been made for the field in which—
- (a) the amount of oil won and saved from the field exceeds 1,000 metric tonnes (counting 1,100 cubic metres of gas at a temperature of 15 degrees centigrade and pressure of one atmosphere as equivalent to one metric tonne); and
 - (b) a net profit from the field accrues to the participator;
- and subsection (7) of section 5A of the principal Act (time when development decision is made) shall apply for the purposes of this subsection as it applies for the purposes of subsection (1)(c) of that section.]

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(2) Subject to subsections (3) and (4) below, a net profit shall be treated as having accrued to a participator from an oil field in a chargeable period when the total assessable profits (without any reduction under section 7 or 8 of the principal Act) that have accrued to him from the field in chargeable periods up to and including that period [^{F52}exceed the aggregate of the total allowable losses that have so accrued to him and the total amount of advance petroleum revenue tax paid by him in respect of that field for chargeable periods up to and including that period].

[^{F53}(2A) For the purposes of subsection (2) above the total amount of advance petroleum revenue tax paid by the participator does not include any amount of that tax repaid to him before the end of the chargeable period first referred to in that subsection or any amount of that tax subsequently repaid to him under section 142(1) of the Finance Act 1982 or under paragraph 9 of Schedule 19 to that Act.]

(3) In determining for the purposes of subsection (2) above whether any, and if so what, assessable profit or allowable loss has accrued to a participator from an oil field in a chargeable period—

- (a) there shall be excluded from its computation any expenditure allowed under Schedule 7 and any loss allowed under Schedule 8 to the principal Act [^{F54}(abortive exploration expenditure [^{F55}exploration and appraisal expenditure] and unrelievable field losses);]
- (b) any election under paragraph 9(1) of Schedule 3 to that Act (spreading of allowable expenditure) shall be disregarded; and
- (c) in the case of the last chargeable period taken into account in deciding what is the net profit period there shall be included in that computation any amount which, by reason of an adjustment under section 4(9) of that Act (long-term assets) for a claim period ending not later than that period, will fall to be taken into account under paragraph 6 of Schedule 4 to that Act for the next chargeable period [^{F56}and
- (d) if any qualifying tariff receipts, within the meaning of section 9 of the Oil Taxation Act 1983, are received or receivable by the participator for that period, any amount by which those receipts are treated as reduced by virtue of that section shall be brought into account in that computation as an addition to the positive amounts referred to in section 2(3)(a) of the principal Act].

(4) A net profit shall not by virtue of subsection (2) above be treated as having accrued to a participator from an oil field in a chargeable period if—

- (a) after an assessment or determination has been made in respect of that period under paragraph 10 of Schedule 2 to the principal Act any expenditure incurred before the end period is allowed on a claim under Schedule 5 or Schedule 6 to that Act; and
- (b) a net profit would not have accrued to the participator from the field in that period if that expenditure (or, as respects expenditure allowed under Schedule 5, his share of it) had been taken into account in the assessment or determination together with any amount falling to be taken into account under section 2(9)(b)(ii) or (c)(ii) of the principal Act by reference to (or, as the case may be, to his share of) that expenditure.

(5) The expenditure referred to in subsection (4) above does not include expenditure allowed for any claim period beginning after the chargeable period in respect of which the assessment or determination was made.

(6) In the following provisions, that is to say—

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- (a) paragraphs 2(4)(a) and 3(1)(b) of Schedule 5 to the principal Act (claims for and determination of expenditure qualifying for supplement), including those paragraphs as applied by Schedule 6 to that Act;
- (b) paragraph 2(4)(b) of the Schedule to the ^{M40}Petroleum Revenue Tax Act 1980 (computation of payment on account),

references to expenditure qualifying for supplement shall include references to expenditure that would so qualify apart from this section; but the responsible person need not make a claim under paragraph 2(4)(a) of the said Schedule 5 if it appears to him that none of the expenditure is likely to qualify because of this section.

- (7) This section applies whether the net profit period ends before or after the passing of this Act but subsection (1) above shall not disqualify any expenditure which was incurred before 1st January 1981 or which is incurred before 1st January 1983 in pursuance of a contract entered into before 1st January 1981.

Textual Amendments

- F51** Words substituted by Finance Act 1985 (c. 54), s. 91(3) with respect to chargeable periods ending after 30 June 1985. Previously “in which a net profit from the field first accrues to the participator.”
- F52** Words substituted by Finance Act 1982 (c. 39), s. 139(6), Sch. 19 para. 16(2). Previously “exceed the total allowable losses that have so accrued to him”
- F53** S. 111(2A) substituted by Finance Act 1982 (c. 39), s. 139(6), Sch. 19 para. 16(2). Previously “exceed the total allowable losses that have so accrued to him”
- F54** Words repealed by Finance Act 1987 (c. 16), ss. 64(2), 72(7), Sch. 13 Pt. II para. 8, Sch. 16 Pt. X
- F55** Words added by Finance Act 1983 (c. 28), s. 37(2), Sch. 8 Pt. II para. 9
- F56** Word “and” and s. 111(3)(d) inserted by Oil Taxation Act 1983 (c. 56), s. 9(8)—to have effect with respect to chargeable periods ending after 1 July 1982

Modifications etc. (not altering text)

- C14** See 1987 s. 65(4)(c)—exclusion of coss-field allowance in determining assessable profit or allowable loss for s. 111(2)
- C15** See s. 117(4), post—includes an election under 1981 s. 117
- C16** See Oil Taxation Act 1983 (c. 56), Sch. 1 para. 2(4) where expenditure incurred in respect of a remote associated asset

Marginal Citations

- M39** 1975 c. 22.
- M40** 1980 c. 1.

112 Restriction of expenditure supplement: transfers of interest. U.K.

- (1) Section 111 above shall have effect in accordance with this section where a participator in an oil field has acquired the whole or part of his interest in the field as a result of one or more transfers to him within the meaning of Schedule 17 to the ^{M41}Finance Act 1980, and in this section “the new participator and the “the old participator” mean respectively the first-mentioned participator and any participator from whom he has acquired the whole or part of his interest.
- (2) The new participator’s net profit period shall be whichever is the earlier of—
 - (a) his own net profit period as determined in accordance with section 111 above and subsections (3) and (4) below; or

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- (b) subject to subsection (5) below, the chargeable period which is the net profit period of the old participator or, if there are two or more old participators, of whichever of them has the earliest net profit period.
- (3) Where the old participator has transferred the whole of his interest in the field to the new participator, the net profit period of the new participator shall be determined by treating as if they were his the total assessable profits and allowable losses of the old participator as determined for the purposes of section 111 above.
- (4) Where the old participator has transferred part of his interest in the field to the new participator, the net profit period of the old and new participators shall be determined by treating as if they were the new participator's and not the old participator's such part of the total assessable profits and allowable losses of the old participator (as determined for the purposes of section 111 above) as may be just and reasonable.
- [^{F57}(4A) Subsections (2) and (2A) of section 111 shall have effect as if references to the amount of advance petroleum revenue tax paid by the new participator or repaid to him included references to the amount of that tax paid by or repaid to the old participator or, where the old participator has transferred part of his interest, such part of that amount as is just and reasonable.]
- (5) The net profit period of an old participator shall not be taken into account under subsection (2)(b) above if the new participator's own net profit period, as determined without reference under subsection (3) or (4) above to the old participator's assessable profits or allowable losses, fell before the chargeable period in which the new participator acquired the whole or part of the old participator's interest.

Textual Amendments

F57 S. 112(4A) inserted by Finance Act 1982 (c. 39), s. 139(6), Sch. 19 para. 16(3)

Marginal Citations

M41 1980 c. 48.

113 Restriction of expenditure supplement: loss following net profit period. **U.K.**

- [^{F58}(1) This section has effect where the aggregate of—
- (a) the total allowable losses that have accrued to a participator from an oil field in chargeable periods up to and including a chargeable period ending not more than three years after his net profit period, and
 - (b) the amount of advance petroleum revenue tax paid by him in respect of that field for those periods less any such tax repaid to him before the end of those periods or repaid subsequently under section 142(1) of the Finance Act 1982 or paragraph 9 of Schedule 19 to that Act,
- exceeds the total assessable profits (without any reduction under section 7 or 8 of the principal Act) that have so accrued to him.]
- (2) Section 111(1) above shall not disqualify for supplement under section 2(9)(b)(ii) or (c)(ii) of the principal Act expenditure which is incurred up to the end of—
- (a) the last chargeable period in the three years mentioned in subsection (1) above;
- or

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- (b) the chargeable period in which a net profit next accrues to the participator from the field after the chargeable period mentioned in that subsection, whichever is the earlier.
- (3) Subsection (3) of section 111 above shall apply for the purposes of subsection (1) above as it applies for the purposes of subsection (2) of that section and subsections (3), (4) and (5) of that section shall apply for the purposes of subsection (2)(b) above as they apply for the purposes of subsection (2) of that section.

Textual Amendments

F58 S. 113(1) substituted by Finance Act 1982 (c. 39), s. 139(6), Sch. 19 para. 16(4). Previously “(1) This section has effect where the total allowable losses that have accrued to a participator from an oil field in chargeable periods up to and including a chargeable period ending not more than three years after his net profit period exceed the total assessable profits (without any reduction under section 7 or 8 of the principal Act) that have so accrued to him.”

^{x15}114 Restriction of limit on amount of tax payable. **U.K.**

- (1) For section 9 of the principal Act (annual limit on amount of tax payable by participator) there shall be substituted—
- (1) The tax payable by a participator in an oil field for any chargeable period to which this subsection applies shall not exceed 80 per cent. of the amount (if any) by which his adjusted profit for that period (as defined in this section) exceeds 15 per cent. of his accumulated capital expenditure at the end of that period (as so defined).
- (1A) Subsection (1) above applies to—
- (a) any chargeable period from the first chargeable period up to and including the period which is the participator’s net profit period for the field for the purposes of section 111 of the Finance Act 1981 or where section 113 of that Act applies, up to and including the earlier of the periods mentioned in subsection (2) of that section; and
- (b) any subsequent chargeable period up to such number of periods as is equal to half the number of chargeable periods included in paragraph (a) above (counting any resulting fraction of a period as a whole period).
- (2) The adjusted profit of a participator in an oil field for any chargeable period shall be determined as follows—
- (a) there shall be ascertained—
- (i) the assessable profit (without any reduction under section 7 or 8 of this Act) or allowable loss accruing to him in that period; and
- (ii) the total amount taken into account under section 2(9)(b), (c), (d) and (e) of this Act in computing that profit or loss, excluding expenditure so taken into account under section 2(9)(b)(i) or (c)(i) which was not allowed as qualifying for supplement under section 2(9)(b)(ii) or (c)(ii);

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- (b) if there is a profit under paragraph (a)(i) above, the sum of that profit and the total ascertained under paragraph (a)(ii) above is his adjusted profit for the period;
 - (c) if there is a loss under paragraph (a)(i) above smaller than the total ascertained under paragraph (a)(ii) above, the difference is his adjusted profit for the period.
- (3) The accumulated capital expenditure of a participator in an oil field at the end of any chargeable period is the total amount of expenditure taken into account under section 2(9)(b)(i) and (c)(i) of this Act in computing the assessable profit or allowable loss accruing to him in that period and all earlier chargeable periods excluding all expenditure so taken into account which was not allowed as qualifying for supplement under section 2(9)(b)(ii) or (c)(ii).
- (4) Where a participator has made an election under paragraph 9(1) of Schedule 3 to this Act the amount of any reduction by virtue of this section in the tax payable by him for any chargeable period shall not be greater than it would have been if he had not made any such election and for the purposes of subsection (3) above his accumulated capital expenditure at the end of any chargeable period shall be taken to be what it would have been if he had made no such election.”
- (2) In consequence of subsection (1) above, Schedule 17 to the ^{M42}Finance Act 1980 (transfers of interests in oil fields) shall be amended as follows—
 - (a) in paragraph 1(3) for the words from “the transfer period” onwards there shall be substituted the words “ “the transfer period” means the chargeable period in which the transfer takes place ”;
 - (b) in paragraph 8(1) for the words from “the last calendar year” onwards there shall be substituted “ the last chargeable period before the transfer period ”;
 - (c) in paragraph 8(2) for the words “year” (in both places) and “calendar years” there shall be substituted respectively the words “ period ” and “ chargeable periods ”;
 - (d) in paragraph 18 for the word “year”, wherever it occurs, there shall be substituted the word “ period ”.
- (3) This section applies whether the net profit period ends before or after the passing of this Act.

Editorial Information

X15 The text of part of ss. 89, 90, 91, 114, 116, 119 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.

Marginal Citations

M42 1980 c. 48.

115 Contracts with deferred payment. **U.K.**

- (1) Expenditure incurred in pursuance of a contract to which this section applies shall not qualify for supplement under section 2(9)(b)(ii) or (c)(ii) of the principal Act.

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Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 16 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (2) This section applies to any contract which is entered into after 1st July 1980 unless—
- (a) the amount required to be paid under it by the person incurring the expenditure is less than £10 million; or
 - (b) it is reasonable to expect, at the time when the contract is entered into—
 - (i) that not less than 90 per cent. of that amount be paid within nine months of the date on which the other party begins to perform the contract; or
 - (ii) that a payment or payments in respect of that amount will be made which comply with subsection (3) below;
 and for the purposes of paragraph (a) above there may be disregarded any provision of the contract allowing for variations in the amount payable to take account of changes in costs or design.
- (3) The payment or payments referred to in subsection (2)(b)(ii) above must be such that the amount to be paid up to any time after the date on which the other party to the contract begins to perform it is equal to not less than 75 per cent. of the amount that would have become payable up to that time if—
- (a) the payments required to be made under the contract were such that the first of them was payable within six months after that date and each subsequent one within six months after the previous one; and
 - (b) the first of the payments were required to be of an amount proportionate to the extent to which the contract has been performed by that party since that date and each subsequent one to be of an amount proportionate to the extent to which the contract has been so performed since the previous payment was required to be made.
- (4) Where a contract requires a payment in respect of any period or in respect of the completion of any stage in the performance of the contract to be made within three months after the end of that period or within three months after the completion of that stage the amount to be paid up to any time shall be determined for the purposes of subsection (3) above as if the payment were required to be made at the end of that period or on completion of that stage.
- (5) Where a contract provides for payments in respect of the completion of stages in the performance of separate parts of the work specified in the contract, the payments under the contract shall be treated as complying with subsection (3) above if the payments attributable to each part of the contract would have complied with that subsection if that part had been the subject of a separate contract.

^{x16}**116 Spreading of capital expenditure. U.K.**

- (1) For paragraph 9 of Schedule 3 to the principal Act (spreading of capital expenditure) there shall be substituted—

- “9 (1) A participator in an oil field may by notice in writing to the Board elect—
- (a) that the relief for supplemented expenditure to be taken into account in computing the assessable profit or allowable loss accruing to him from the field in the chargeable period specified in the notice shall not exceed such amount as is so specified; and

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- (b) that any excess shall be dealt with in accordance with the following provisions of this paragraph.
- (2) Subject to sub-paragraphs (3) and (4) below, one-twentieth of any excess of the relief over the amount specified for the chargeable period in question shall be taken into account in computing the assessable profit or allowable loss accruing to the participator from the field in each of the next twenty chargeable periods.
 - (3) A participator may, in the first notice given by him under sub-paragraph (1) above in respect of a field, elect that sub-paragraph (2) above shall have effect in relation to that and any subsequent notice given by him in respect of that field with the substitution for the denominator of the fraction and the number of chargeable periods of such number, being three, five, ten or fifteen, as is specified in the election.
 - (4) A participator may by a notice in writing given to the Board and applying to any of the chargeable periods referred to in sub-paragraph (2) above before the last elect that so much of the excess as has not been taken into account in a previous chargeable period shall be taken into account in the period specified in the notice instead of partly in that period and partly in the subsequent periods.
 - (5) Any notice under this paragraph shall be in such form as the Board may prescribe and shall be given within three months after the end of the chargeable period to which it relates or, if later, twenty-seven months after the end of the first chargeable period of the field.
 - (6) Any tax charged or repayable in respect of the first four chargeable periods of an oil field in consequence of an election under this paragraph shall not carry interest under paragraph 15 or 16 of Schedule 2 to this Act in respect of any period before the date of the election.
 - (7) In this paragraph “relief for supplemental expenditure” means the amount attributable to expenditure qualifying for supplement under paragraph (b) (ii) or (c)(ii) of section 2(9) of this Act which would, apart from any election under this paragraph, fall to be taken into account under paragraph (b) or (c) of section 2(9) in computing the assessable profit or allowable loss accruing to the participator from the field in the chargeable period in question; and the reference in this sub-paragraph to the amount attributable to expenditure qualifying for supplement as aforesaid includes the amount attributable to the expenditure itself as well as to the amount calculated by reference to it under the said paragraph (b) (ii) or (c)(ii).”
- (2) For paragraph 10 of Schedule 3 to the principal Act there shall be substituted—
- “10 Where a participator has made an election under paragraph 9(1) above the reduction to be made in his case under section 8(1) of this Act for any chargeable period (whether or not that to which the election relates) shall not be greater than it would have been if he had made no such election.”
- (3) This section has effect in relation to any chargeable period ending after 31st December 1979.

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Editorial Information

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117 Spreading of capital expenditure: transitional provisions. **U.K.**

- (1) Where allowable losses have accrued to a participator from an oil field in chargeable periods ending before 1st January 1980 he may by notice in writing given to the Board elect that so much of those losses as would, apart from this section, be available for set off under section 7 of the principal Act against assessable profits accruing to him from the field in chargeable periods beginning on or after that date shall instead be treated as an amount of relief for supplemented expenditure which, subject to any election under paragraph 9 of Schedule 3 to that Act, falls to be taken into account in computing the assessable profit or allowable loss accruing to him from the field in the chargeable period ending on 30th June 1980.
- (2) The amount to which an election under this section applies shall not exceed the total amount of relief for supplemented expenditure taken into account in computing the assessable profits or allowable losses accruing to the participator in chargeable periods ending before 1st January 1980.
- (3) Any notice under this section shall be in such form as the Board may prescribe and shall be given before 1st April 1982; and—
 - (a) any notice under paragraph 9 of Schedule 3 to the principal Act in respect of a chargeable period ending before that date shall not be out of time if given before that date;
 - (b) any tax charged or repayable in respect of any such chargeable period in consequence of an election under that paragraph shall not carry interest under paragraph 15 or 16 of Schedule 2 to that Act in respect of any period before the date of the election.
- (4) In section 111(3)(b) above and in section 9(4) of, and paragraph 10 of Schedule 3 to, the principal Act references to an election under paragraph 9(1) of that Schedule shall include references to an election under this section.
- (5) This section shall be construed as one with Part I of the principal Act and paragraph 9(7) of Schedule 3 to that Act shall apply for the interpretation of subsections (1) and (2) above.

118 Licence payments other than royalties. **U.K.**

- (1) For the purpose of computing under section 2 of the principal Act the assessable profit or allowable loss accruing to a participator in any chargeable period from an oil field—
 - (a) there shall be included as a positive amount any chargeable sum paid to the participator in the period by the Secretary of State; and
 - (b) there shall be included as a negative amount any allowable sum paid by the participator in the period to the Secretary of State.

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- (2) In this section “chargeable sum” and “allowable sum” mean any sum which after 31st December 1980 is paid to a participator by the Secretary of State or, as the case may be, by the participator to the Secretary of State by reference to a relevant licence except—
 - (a) any sum falling to be taken into account under section 2(6) of the principal Act (licence debit or credit) or section 3(1)(b) of that Act (payment under or for the purpose of obtaining a relevant licence);
 - (b) any sum consisting of interest on a sum payable to or by the Secretary of State;
 - (c) any repayment by the Secretary of State under section 41(3) of the ^{M43}Petroleum and Submarine Pipe-lines Act 1975 (repayment of royalty for facilitating or maintaining the development of United Kingdom petroleum resources); and
 - (d) any payment or repayment of royalty in respect of excluded oil (as defined in section 10 of the principal Act) and any other payment attributable to such oil.
- (3) Where the relevant licence by reference to which a chargeable sum or allowable sum is paid relates to a licensed area comprising the whole or part of two or more oil fields, that sum shall for the purposes of this section be apportioned between all or any of those fields, or attributed wholly to one of them, as may be just and reasonable.
- (4) A return under paragraph 2 of Schedule 2 to the principal Act shall include a statement of the chargeable sums and allowable sums, if any, paid to or by the participator in the chargeable period to which the return relates.
- (5) In considering for the purposes of paragraph 8(1) of Schedule 3 to the principal Act (subsidised expenditure) how far any expenditure has been or is to be met directly or indirectly by the Crown or by any authority or person other than the person incurring the expenditure, any chargeable sum shall be left out of account.
- (6) This section shall be construed as one with Part I of the principal Act.

Marginal Citations

M43 1975 c. 74.

^{x17}**119 Transportation costs for off-shore oil. U.K.**

- (1) In section 3(4)(c) of the principal Act (buildings and structures eligible for expenditure relief) after paragraph (iii) there shall be inserted—
 - “(iv) a building or structure used or to be used for transporting such oil as is mentioned in subsection (1)(f) above from the place where it is first landed in the United Kingdom to the place in the United Kingdom at which the seller in a sale at arm’s length could reasonably be expected to deliver it or, if there is more than one place at which he could reasonably be expected to deliver it, the one nearest to the place of extraction; or”.
- (2) This section shall have effect in relation to any expenditure in respect of which a claim is made after 31st December 1978.

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120 ^{F59} **U.K.**

Textual Amendments

F59 Repealed by [Income and Corporation Taxes Act 1988 \(c. 1\)](#), s. 844, **Sch. 31**. See 1987 edition for these provisions.

121 **Gas banking schemes.** **U.K.**

Regulation under section 108 of the ^{M44}Finance Act 1980 (gas banking schemes) may provide for the modifications made by them to have effect from a date before the regulations are made and for any election made under that section to have effect from a date before the election is made.

Marginal Citations

M44 [1980 c. 48](#).

[^{F60}PART VIII **U.K.**

SUPPLEMENTARY PETROLEUM DUTY

Textual Amendments

F60 Part VIII (ss. 122–128) repealed by [Finance Act 1982 \(c. 39\)](#), s. 157(6), **Sch. 22 Pt. IX** for chargeable periods ending after 31 December 1982.

122 **Charge of supplementary petroleum duty.** **U.K.**

- (1) Every participator in an oilfield shall, in accordance with this Part of this Act, be chargeable with a tax (to be known as supplementary petroleum duty) on the gross profit accruing to him from the field in any chargeable period to which this section applies.
- (2) The duty shall be charged at the rate of 20 per cent.
- (3) For the purposes of the duty the gross profit shall, except so far as otherwise provided in this Part of this Act, be determined in accordance with section [^{F61}2(4) to (5A)] of the Oil Taxation Act 1975 (“the principal Act”) as for the purposes of petroleum revenue tax.

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- (4) Any other expression used in this Part of this Act which also occurs in Part I of the principal Act shall be construed in the same way as for the purposes of that tax.
- (5) This section applies to the chargeable periods ending on 30th June 1981, 31st December 1981, [^{F62}30th June 1982, and 31st December 1982 and to no other periods].

Textual Amendments

- F61** Words substituted by Finance Act 1982 (c. 39), s. 133(2) for chargeable periods ending after 31 December 1981. Originally “2(4) and (5)”
- F62** Words substituted by Finance Act 1982 (c. 39), s. 132(2). Originally “and 30th June 1982”.

Modifications etc. (not altering text)

- C17** See Finance Act 1982 (c. 39), s. 135—in relation to determination of oil fields under Oil Taxation Act 1975 Sch. 1 made after 31 December 1981, Part VIII to apply to oil won before the date of determination.

123 Increase of gross profit by reference to royalties in kind. **U.K.**

- (1) This section applies where part of a participator’s share of the oil won and saved from an oil field is delivered by him in a chargeable period to the Secretary of State pursuant to a requirement imposed under the terms of a licence granted under the Petroleum (Production) Act 1934.
- (2) In determining for the purposes of the duty the gross profit accruing to the participator from the field in the chargeable period the aggregate of the amounts mentioned in section 2(5)(a), (b) and (c) of the principal Act shall be increased by multiplying it by a fraction of which—
 - (a) the numerator is the total of the quantity of oil won from the field which is delivered or relevantly appropriated by him in the period including the oil delivered to the Secretary of State; and
 - (b) the denominator is that total excluding the oil delivered to the Secretary of State.
- (3) Where oil is delivered pursuant to a requirement which relates to oil of one or more kinds but not to others, subsection (2) above shall apply only in relation to oil of the kind or kinds to which the requirement relates; and where oil is delivered pursuant to a requirement which specifies different proportions in relation to different kinds of oil, that subsection shall apply separately in relation to each of those kinds.
- (4) For the purposes of section 2(5) of the principal Act as applied by this Part of this Act the exclusion by paragraph 4 of Schedule 3 to that Act of oil delivered to the Secretary of State under the terms of a licence granted under the said Act of 1934 shall be deemed to extend to oil which is inadvertently delivered to him in excess of the amount required; and oil so delivered shall be treated for the purposes of this section as delivered pursuant to a requirement imposed under the terms of such a licence.

124 Reduction of gross profit by reference to exempt allowance. **U.K.**

- (1) For the purposes of the duty there shall be for each oilfield in each chargeable period an exempt allowance of 500,000 metric tonnes of oil divided between the participators

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in shares proportionate to their shares of the oil won and saved from the field during the period.

- (2) If the gross profit accruing to a participator in a chargeable period from a field exceeds the cash equivalent of his share of the exempt allowance, the gross profit shall be reduced to an amount equal to the excess.
- (3) If the gross profit accruing to a participator in a chargeable period from a field does not exceed the cash equivalent of his share of the exempt allowance, the gross profit shall be reduced to nil.
- (4) Subject to subsection (5) below, the cash equivalent of a participator's share of the exempt allowance for an oil field for a chargeable period shall be equal to such proportion of the gross profit accruing to him from the field in that period (before any reduction under this section) as his share of the exempt allowance bears to his share, exclusive of excluded oil within the meaning of section 10 of the principal Act, of the oil won and saved from the field during the period.
- (5) If a participator in an oil field so elects by notice in writing given to the Board at the time when he makes his return under paragraph 2 of Schedule 2 to the principal Act for a chargeable period, the cash equivalent of his share of the exempt allowance for the field for that period shall be determined under subsection (4) above—
 - (a) to the extent that his share of that exempt allowance does not exceed his share of the oil (other than gas) won and saved from the field in the period, as if in computing the gross profit accruing to him in the period all amounts relating to gas fell to be disregarded; and
 - (b) to the extent, if any, that his share of that allowance exceeds his share of the oil (other than gas) so won and saved, as if in computing the gross profit so accruing all amounts relating to oil other than gas fell to be disregarded.
- (6) In this section references to a participator's share of the oil won and saved from a field are to his share as expressed in metric tonnes and for that purpose 1,100 cubic metres of oil consisting of gas at a temperature of 15 degrees centigrade and pressure of one atmosphere shall be counted as equivalent to one metric tonne of oil other than gas.

125 Repayment of duty in case of field showing loss on cessation. **U.K.**

- (1) Subject to the provisions of this section, the duty paid by a participator in respect of an oil field shall be repaid to him if—
 - (a) a decision has been made under Schedule 8 to the principal Act (whether by the Board or on appeal) that the winning of oil from the field has permanently ceased;
 - (b) an unrelievable field loss, within the meaning of section 6 of that Act, has accrued to the participator from the field; and
 - (c) a claim for repayment is made under this section.
- (2) The amount of duty to be repaid shall not exceed the amount of the unrelievable field loss; and where duty paid by a participator in respect of an oil field is repaid under this section the amount to be taken into account under section 2(9)(e) of the principal Act as the unrelievable field loss from that field in computing the assessable profit or allowable loss accruing from another field to—
 - (a) the participator; or

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- (b) a company which, within the meaning of the said section 6, is associated with him in respect of the loss,
shall not be greater than the amount (if any) by which it exceeds the amount repaid.
- (3) If a claim for the allowance of the unrelievable field loss is made by the participator under Schedule 8 to the principal Act, the claim under this section shall be included in that claim; and in any other case the claim under this section shall be made within six years after the date of the decision mentioned in subsection (1)(a) above.
- (4) Sub-paragraphs (2) and (3) of paragraph 4 of the said Schedule 8 shall, with the necessary modifications, apply in relation to a claim for repayment under this section as they apply in relation to a claim under sub-paragraph (1) of that paragraph.
- (5) References in this section to duty paid by a participator are to duty paid by him and not previously repaid.

126 Deduction of duty in computing assessable profit or allowable loss for petroleum revenue tax. **U.K.**

- (1) For the purpose of computing under section 2 of the principal Act the assessable profit or allowable loss accruing to a participator in any chargeable period from an oil field—
 - (a) there shall be included as a negative amount his duty debit (if any) for the period; and
 - (b) there shall be included as a positive amount his duty credit (if any) for the period.
- (2) The participator's duty debit or credit (if any) for the period is the difference (if any) between—
 - (a) the sum of the amounts mentioned in subsection (3) below; and
 - (b) the sum of—
 - (i) the amount taken into account under paragraph (a) of that subsection in computing his duty debit or credit for the preceding chargeable period; and
 - (ii) the amount of any duty repaid to him in the period in respect of the field;and their difference (if any) is a duty debit if the sum mentioned in paragraph (a) above is greater than the sum mentioned in paragraph (b) above, and is otherwise a duty credit.
- (3) The amounts referred to in subsection (2)(a) above are—
 - (a) the amount shown in the statement delivered by the participator under sub-paragraph (1)(a) of paragraph 10 of Schedule 16 to this Act as the duty payable by him under that paragraph for the period in respect of the field; and
 - (b) the amount of duty paid in the period in respect of the field for previous chargeable periods.
- (4) For the purposes of subsection (3)(b) above duty for a period which is paid before the end of that period shall be treated as paid in the next chargeable period.
- (5) Where a participator's liability to petroleum revenue tax has been determined by reference to an amount of duty paid by him and there is a repayment of the duty which cannot be taken into account under the foregoing provisions of this section, an

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additional assessment to that tax may be made at any time not later than six years after the end of the chargeable period in which the duty is repaid.

- (6) Paragraph 12 of Schedule 17 to the Finance Act 1980 (treatment of royalty payments where there is a transfer of an interest in an oil field) shall apply in relation to any duty debit or credit as it applies in relation to a licence debit or credit, taking references to subsection (6) of section 2 of the principal Act and paragraphs (a) and (b) of that subsection as references to subsection (2) above and paragraphs (a) and (b) of that subsection.

127 Deduction of duty in computing income for corporation tax. **U.K.**

- (1) Where a participator in an oilfield has paid any duty with which he was chargeable for a chargeable period, then, in computing for corporation tax the amount of his income arising in the relevant accounting period from oil extraction activities or oil rights, there shall be deducted an amount equal to that duty; and there shall be made all such adjustments of assessments to corporation tax as are required in order to give effect to this subsection.
- (2) For the Purposes of subsection (1) above the relevant accounting period, in relation to any duty paid by a company, is—
- (a) the accounting period of the company in or at the end of which the chargeable period for which the duty was charged ends; or
 - (b) if that chargeable period ends after the accounting period of the company in or at the end of which the trade giving rise to the income referred to in subsection (1) above is permanently discontinued, that accounting period.
- (3) Subject to subsection (4) below, if some or all of the duty in respect of which a deduction has been made under subsection (1) above is subsequently repaid, that deduction shall be reduced or extinguished accordingly; and any additional assessment to corporation tax required in order to give effect to this subsection may be made at any time not later than six years after the end of the accounting period in which the duty was repaid.
- (4) Subsection (3) above does not apply to any repayment of duty under section 125 above but any amount of duty repaid to a person under that section shall be treated as his income for the purpose of corporation tax.
- (5) Where, because of a deduction made under subsection (1) above in computing for corporation tax the amount of a company's income of any kind, the amount of advance corporation tax which can be set against the company's liability to corporation tax for an accounting period is less than the amount of advance corporation tax which could have been set against that liability if the deduction had not been made, then, if a claim in that behalf is made by the company not later than two years after the end of that accounting period, an amount of advance corporation tax equal to the difference shall be repaid to the company.
- (6) In this section “oil extraction activities” and “oil rights” have the meaning given in section 19(1) of the principal Act.

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Modifications etc. (not altering text)

C18 See [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), [s. 498\(8\)](#)—in determining the amount of any advance corporation tax (“ACT”) repayable under s. 172(5) any Act in respect of distribution actually made on or after 17 March 1987 shall be left out of account.

128 Supplementary Provisions. **U.K.**

- (1) Schedule 16 to this Act shall have effect with respect to the management and collection of duty.
- (2) In section 1(1) of the Provisional Collection of Taxes Act 1968 after the words “petroleum revenue tax” there shall be inserted the words “ supplementary petroleum duty ”.
- (3) This Part of this Act shall be included in the Oil Taxation Acts for the purposes of section 108 of the Finance Act 1980 (gas banking schemes).]

Modifications etc. (not altering text)

C19 See Part II, post.

PART IX **U.K.**

129— ^{F63} **U.K.**
133.

Textual Amendments

F63 Ss. 129–133 repealed by [Finance Act 1985 \(c. 54\)](#), s. 98(6), [Sch. 27 Pt. X](#) Note 2

PART X **U.K.**

MISCELLANEOUS AND SUPPLEMENTARY

^{X18}134 Special tax on banking deposits. **U.K.**

- (1) Every person who on 10th March 1981 was carrying on a banking business in the United Kingdom shall be chargeable for the year beginning on 1st April 1981 with a tax (to be known as the special tax on banking deposits) if the average chargeable deposits held by him in the base period exceeded £15 million.
- (2) The amount of tax chargeable in the case of any person shall be equal to 2 per cent. of the excess referred to in subsection (1) above or, if the excess is more than £200 million, the aggregate of 2 per cent. of the first £200 million and 2½ per cent. of the remainder.

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- (3) Part I of Schedule 17 to this Act shall have effect for determining the base period and the chargeable deposits held by a person in that period; and Part II of that Schedule shall have effect with respect to the management and collection of the tax.
- (4) The tax paid by a person shall not be deductible in computing his income, profits or losses for the purposes of income tax or corporation tax.
- (5) In this section and Schedule 17 references to a person carrying on a banking business do not include references to the Bank of England or the central bank of any country outside the United Kingdom.

Editorial Information

X18 The text of s. 134 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.

135 Chevening Estate. **U.K.**

- (1) The enactments relating to capital gains tax [^{F64}and capital transfer tax] shall not apply in respect of property held on the trusts of the trust instrument set out in the ^{M45}Schedule to Chevening Estate Act 1959.
- (2) This section shall be deemed always to have had effect.

Textual Amendments

F64 Words substituted by [Finance Act 1985 \(c. 54\), s. 93\(7\)](#), [Sch. 25 para. 10](#)

Marginal Citations

M45 1959 c. 49.

136 Exchange control. **U.K.**

- (1) ^{F65}
- (2) In section 2(1) of the ^{M46}Banking and Financial Dealings Act 1971 (power to suspend financial dealings)—
 - (a) in paragraph (b) for the words “no authorised dealer in foreign currency”, and
 - (b) in paragraph (c) for the words “no authorised dealer in gold”,
 there shall be substituted the words “no person”.
- (3) ^{F65}

Textual Amendments

F65 [S. 136\(1\)\(3\)](#) repealed by [Finance Act 1987 \(c. 16, SIF 99:6\), s. 72\(7\)](#), [Sch. 16 Pt. XI](#)

Modifications etc. (not altering text)

C20 The text of s. 136(2) 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

M46 1971 c. 80

137 Irish land Acts. U.K.

- (1) Any sums required to be paid under—
 - (a) section 47(2) of the ^{M47}Irish Land Act 1903 (sums required for paying dividends on and redeeming guaranteed stock) ; or
 - (b) section 26(2) of the ^{M48}Government of Ireland Act 1920 (sums equal to amounts payable in respect of purchase annuities),shall, instead of being paid out of moneys provided by Parliament, be paid out of the Consolidated Fund.
- (2) So much of section 33 of the said Act of 1903 as requires the accounts of the Irish Land Purchase Fund to be laid before Parliament shall cease to have effect but the National Debt Commissioners shall furnish the Treasury with such information relating to those accounts as the Treasury may require.
- (3) Any sums required to be paid under subsection (7) of section 16 of the ^{M49}National Loans Act 1968 in respect of the management of securities issued under the ^{M50}Northern Ireland Land Act 1925 shall be met out of the National Loans Fund with recourse to the Consolidated Fund.
- (4) This section shall come into force on 1st April 1982.

Marginal Citations

M47 1903 c. 37.
M48 1920 c. 67.
M49 1968 c. 13.
M50 1925 c. 34.

138 ^{F66} **U.K.**

Textual Amendments

F66 S. 138 repealed by [Income and Corporation Taxes Act 1988 \(c. 1\)](#), s. 844, [Sch. 31](#)

139 Short title, interpretation, construction and repeals. U.K.

- (1) This Act may be cited as the Finance Act 1981.
- (2) In this Act “the Taxes Act” means the Income and Corporation Taxes Act [^{F67}1988].
- (3) Part IV of this Act, so far as it relates to income tax, shall be construed as one with the Income Tax Acts, so far as it relates to corporation tax, shall be construed as one with the Corporation Tax Acts and, so far as it relates to capital gains tax, shall be construed as one with the ^{M51}Capital Gains Tax Act 1979.
- (4) ^{F68}

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- (5) In Parts VII and VIII of this Act “ the principal Act” means the ^{M52}Oil Taxation Act 1975.
- (6) The enactments mentioned in Schedule 19 to this Act are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.

Textual Amendments

F67 Word substituted by [Income and Corporation Taxes Act 1988 \(c. 1\)](#), [Sch. 29 para. 32](#)

F68 [S. 139\(4\)](#) repealed by [Capital Transfer Tax Act 1984 \(c. 51\)](#), ss. 274, 277, Schs. 7, 9

Marginal Citations

M51 1979 c. 14.

M52 1975 c. 22.

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SCHEDULES

^{F69}F69 SCHEDULES 1, 2 U.K.

Textual Amendments

F69 Schs. 1, 2 repealed by Finance Act 1982 (c. 39, SIF 40:1), s. 157(6), **Sch. 22 Pt. I**

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F69

^{F70}F70 SCHEDULES 3, 4 U.K.

Textual Amendments

F70 Schs. 3, 4 repealed by Finance Act 1982 (c. 39, SIF 40:1), s. 157(6), **Sch. 22 Pt. II**

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F70

^{F71}F71 SCHEDULE 5 U.K.

Textual Amendments

F71 Sch. 5 repealed by Betting and Gaming Duties Act 1981 (c. 63, SIF 12:2), s. 34(2), **Sch. 7**

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F71

^{X19}X19 SCHEDULE 6 U.K.

Section 10(1)

IMPORT PROCEDURES: AMENDMENTS OF CUSTOMS AND EXCISE MANAGEMENT ACT 1979

Editorial Information

X19 The text of Sch. 6, 8 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

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Entry of goods on importation

- 1 (1) Section 37 shall be amended as follows.
- (2) In subsection (1) for the words “and containing such particulars” there shall be substituted the words “, containing such particulars and accompanied by such documents”.
- (3) In subsection (3)(a) after the words “for home use” there shall be inserted the words “or for free circulation”.
- (4) Subsection (5)(a) shall be omitted.
- (5) For subsections (6) and (7) there shall be substituted—
- “(6) Except with the permission of the Commissioners no entry shall be delivered before the goods have been presented at the proper office of customs and excise.
- (7) Where the Commissioners permit an entry to be delivered before presentation of the goods, the goods must be presented at the proper office of customs and excise within such time as the Commissioners may allow; and if the goods are not so presented the entry shall be treated as not having been delivered.
- (8) Goods shall be treated as presented at the proper office of customs and excise if notice is given, in such form and manner as the Commissioners may direct, to the proper officer of the arrival of the goods at that office or at such other place as may be specified by directions given by the Commissioners.
- (9) Acceptance of an entry by the proper officer shall be signified in such manner as the Commissioners may direct.”

Acceptance of incomplete entry

- 2 For section 38 (entry by bill of sight) there shall be substituted—
- “38 Acceptance of incomplete entry.**
- (1) The proper officer may, if he thinks fit, accept of an entry which does not in every respect comply with section 37 above.
- (2) Where an entry is accepted under this section the importer shall, within such time as the Commissioners may allow, deliver to the proper officer such of the particulars or documents as were required to be, but were not, contained in or delivered with the entry or, if the proper officer so permits, deliver to him a substituted entry complying in all respects with section 37 above.”

Examination of goods for purpose of making entry

- 3 After section 38 there shall be inserted—

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“38A Examination of goods for purpose of making entry.

- (1) For the purpose of enabling entry to be made of any goods which are in customs and excise charge the proper officer shall, on the application of the importer, allow the examination of the goods and the taking of samples of the goods.
- (2) Any such application shall be made in such form and manner and contain such particulars as the Commissioners may direct.
- (3) Any examination or taking of samples under this section shall be carried out in accordance with such directions as may be given by the Commissioners and shall be at the risk and at the expense of the importer.”

Correction and cancellation of entry

4 After the section inserted by paragraph 3 above there shall be inserted—

“38B Correction and cancellation of entry.

- (1) Where goods have been entered for home use or for free circulation the importer may correct any of the particulars contained in an entry of the goods after it has been accepted if—
 - (a) the goods have not been cleared from customs and excise charge;
 - (b) he has not been notified by an officer that the goods are to be examined; and
 - (c) the entry has not been found by an officer to be incorrect.
- (2) The proper officer may permit or require any correction allowed by subsection (1) above to be made by the delivery of a substituted entry.
- (3) An entry of goods may at the request of the importer be cancelled at any time before the goods are cleared from customs and excise charge if the importer proves to the satisfaction of the Commissioners that the entry was delivered by mistake or that the goods cannot be cleared for free circulation.”

Removal of uncleared goods

5 In section 40(1) for paragraph (b) there shall be substituted—

- “(b) at the expiration of 21 clear days from the date when they were presented at the proper office of customs and excise they have not been produced for examination and clearance and the failure to produce them is attributable to an act or omission for which the importer is responsible; or”.

Failure to comply with provisions as to entry

6 At the end of section 41 there shall be inserted the words “but this section shall not apply to—

- (a) any failure which has been or may be remedied by virtue of section 38B(1); or

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- (b) any failure in respect of an entry which by virtue of section 38(B) (3) has been or may be cancelled at his request.”

Duties on imported goods

- 7 (1) Section 43 shall be amended as follows.
- (2) For subsection (2)(a) (time for determining duty where entry is made) there shall be substituted—
 - “(a) if entry is made thereof, except where the entry is for warehousing, or if they are declared under section 78 below, shall be those in force with respect to such goods at the time when the entry is accepted or the declaration is made;”.
- (3) F72
- (4) After subsection (5) there shall be inserted—
 - “(6) Where entry of goods is made otherwise than for warehousing and there is a reduction in the rate of duty of customs or excise chargeable on the goods between—
 - (a) the time mentioned in subsection (2)(a) above; and
 - (b) the time when the goods are cleared from customs and excise charge,the rate of the duty chargeable on the goods shall if the importer so requests, be that in force at the time mentioned in paragraph (b) above unless clearance of the goods has been delayed by reason of any act or omission for which the importer is responsible.
 - (7) Notwithstanding section 6(5) of the European Communities Act 1972 “duty of customs” in subsection (6) above does not include any agricultural levy.
 - (8) Where samples are taken of goods under section 38A above and the quantity of the goods covered by the entry which is subsequently delivered does not include the samples the duties of customs and the rates of those duties chargeable on the samples shall be those in force at the time when the application under subsection (1) of that section was made and shall be determined by reference to the particulars contained in the application.
 - (9) Where a substituted entry is delivered under section 38(2) or 38B(2) above the entry referred to in subsection (2)(a) above is the original entry.”

Textual Amendments
F72 Sch. 6 para. 7(3) repealed by S.I. 1982/1324, reg. 3

Delivery of imported goods on giving security for duty

- 8 In section 119(1) after the words “for home use” there shall be inserted the words “ or for free circulation ”.

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Restriction on delivery of goods

- 9 In section 128(1) and (2) (power to restrict delivery of goods chargeable with duty of customs or excise) the words “customs or” shall be, omitted.

^{x20}SCHEDULE 7 U.K.

Section 10(2).

EXPORT PROCEDURES

Editorial Information

X20 The text of Sch. 7 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.

PART I U.K.

SECTIONS SUBSTITUTED IN CUSTOMS AND EXCISE MANAGEMENT ACT 1979

Entry outwards of goods.

- 53 (1) Subject to the provisions of this Part of this Act, before any goods other than Community transit goods are exported or shipped as stores for use on a voyage or flight to an eventual destination outside the United Kingdom and the Isle of Man there shall be delivered by the exporter to the proper officer an entry outwards of the goods in such form and manner, containing such particulars and accompanied by such documents as the Commissioners may direct.
- (2) Except with the permission of the Commissioners no entry shall be delivered before the goods have been presented to the proper officer.
- (3) Where the Commissioners permit an entry to be delivered before presentation of the goods, the goods must be presented to the proper officer within such time as the Commissioners may allow; and if the goods are not so presented the entry shall be treated as not having been delivered.
- (4) Goods may be treated as presented to the proper officer if notice is given, in such form and manner as the Commissioners may direct, to the proper officer of the presence of the goods at a place designated by him.
- (5) An entry in respect of dutiable or restricted goods shall not be accepted unless security is given to the satisfaction of the Commissioners that the goods will, within such time as the Commissioners think reasonable, be exported and discharged at the destination for which they are entered or which is otherwise specified by the exporter or, in the case of goods for use as stores, that they will be duly so used or otherwise accounted for to the satisfaction of the Commissioners.
- (6) Acceptance of an entry by the proper officer shall be signified in such manner as the Commissioners may direct; and once acceptance of an entry in respect of any goods has been signified, the goods shall not be removed from the place where they were at the time of acceptance without the permission of the proper officer.

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- (7) The Commissioners may relax all or any of the requirements imposed by this section as they think fit in relation to any goods and, if they do so, may impose substituted requirements.
- (8) If any dutiable or restricted goods of which entry is required under this section are shipped for exportation or as stores or are waterborne for such shipment before entry has been delivered and accepted, the goods shall be liable to forfeiture and where the shipping or making waterborne is done with fraudulent intent any person concerned therein with knowledge of that intent shall be guilty of an offence under this subsection and may be detained.
- (9) A person guilty of an offence under subsection (8) above shall be liable—
- (a) on summary conviction, to a penalty of the prescribed sum or of three times the value of the goods, whichever is the greater, or to imprisonment for a term not exceeding six months, or to both; or
 - (b) on conviction on indictment, to a penalty of any amount, or to imprisonment for a term not exceeding two years or to both.
- (10) If any goods which are not dutiable or restricted goods and of which entry is required under this section are exported or shipped for exportation or as stores before entry has been delivered and accepted, the exporter shall be liable on summary conviction to a penalty of £500.
- (11) Any person who removes any goods in contravention of subsection (6) above or contravenes or fails to comply with any requirement imposed under subsection (7) above shall be liable on summary conviction to a penalty of £500.
- (12) If any dutiable or restricted goods are found not to correspond with any entry in respect of them delivered under this section, they shall be liable to forfeiture.

Acceptance of incomplete entry.

- 54 (1) The proper officer may, if he thinks fit, accept an entry which does not in every respect comply with section 53 above, but he shall not do so in a case in which the goods have not been presented.
- (2) Where an entry is accepted under this section the exporter shall, within such time as the Commissioners may allow, deliver to the proper officer such of the particulars or documents as were required to be, but were not, contained in or delivered with the entry or, if the proper officer so permits, deliver to him a substituted entry complying in all respects with section 53 above.
- (3) If any person fails to comply with subsection (2) above he shall be liable on summary conviction to a penalty of £500.

Correction and cancellation of entry.

- 55 (1) The exporter may correct any of the particulars contained in an entry of goods under section 53 above after it has been accepted if—
- (a) the appropriate authority has not been given for the removal of the goods; and
 - (b) the exporter has not been notified by an officer that the goods are to be examined; and
 - (c) the entry has not been found by an officer to be incorrect;

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and in paragraph (a) above “the appropriate authority” means—

- (i) in the case of goods which have been presented to the proper officer at a place approved by the Commissioners under section 31(1)(b) above or at a place designated by the proper officer under section 53 above, any authority to remove the goods from the place where they were presented to the proper officer which is required under section 31 above or permission under section 53(6) above, and
 - (ii) in any other case, the authority to load the goods which is required under section 57(4) or section 66 below.
- (2) Particulars in an entry may be corrected after the giving of such authority as is mentioned in subsection (1)(a) above if they relate to a matter which can be established in the absence of the goods.
 - (3) The proper officer may permit or require any correction allowed by subsection (1) above to be made by the delivery of a substituted entry.
 - (4) Subject to subsection (5) below, an entry which has been accepted may be cancelled at the request of the exporter if he delivers to the proper officer all copies of the entry and such other documents delivered to him on or in connection with the entry as the Commissioners may require and shows to the satisfaction of the Commissioners that—
 - (a) the goods are in the United Kingdom and the arrangements for exporting them have been cancelled; and
 - (b) any payment to which he is entitled from the Commissioners or under a Community instrument by virtue of exporting the goods has been repaid or will not be paid.
 - (5) An entry shall not be cancelled under subsection (4) above—
 - (a) in a case where the exporter is informed by an officer that the goods are to be examined, until the examination has taken place; and
 - (b) until the exporter has complied with any requirements imposed by the Commissioners as to the movement of the goods in respect of which the entry was made to such places as they may specify.
 - (6) Where an entry in respect of goods which are not dutiable or restricted goods is cancelled under subsection (4) above, the exporter shall within such period as may be specified by directions given by the Commissioners furnish them with such information and such documents relating to the goods as may be specified in the directions.
 - (7) Any person who contravenes or fails to comply with subsection (6) above shall be liable on summary conviction to a penalty of £500.

Failure to export.

- 56
- (1) Where any goods in respect of which an entry has been accepted have not been shipped or exported by land, an officer may by notice given to the exporter require the goods to be exported within such time as is specified in the notice; and if the notice is not complied with the entry shall be treated as cancelled.
 - (2) Where, in the case of any such goods as are mentioned in subsection (1) above which are due to be loaded into a ship or aircraft specified in the entry or by the person having charge of them at the port or customs and excise airport of intended shipment,

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no notice has been served under that subsection and the goods have not been shipped by the time the ship or aircraft departs from the port or airport at which it has been cleared by the proper officer, then—

- (a) the entry shall be treated as cancelled at that time; and
 - (b) if the goods are dutiable or restricted goods, they shall be liable to forfeiture unless notice of the failure to export them is given to the proper officer immediately after that time.
- (3) Where an entry in respect of dutiable or restricted goods is treated as cancelled by virtue of this section—
- (a) if the exporter would have been entitled to a payment of any sum from the Commissioners or under a Community instrument by virtue of exporting the goods, he shall take such steps as the Commissioners may direct to ensure that the sum is not paid to him or, if it has already been paid, he shall (unless the Commissioners agree to his retaining it) repay it within seven days or such longer period as the Commissioners may allow;
 - (b) the exporter shall within such period as may be specified by directions given by the Commissioners furnish them with such information and such documents as may be specified in the directions; and
 - (c) if the goods have not been forfeited under subsection (2)(b) above, they shall be warehoused or, if the Commissioners so require, shall be moved to such place as the Commissioners may specify.
- (4) Where an entry in respect of goods which are not dutiable or restricted goods is treated as cancelled by virtue of this section, the exporter shall within such period as may be specified by directions given by the Commissioners furnish them with such information and such documents relating to the goods as may be specified in the directions.
- (5) Any person who contravenes or fails to comply with subsection (3) above shall be liable on summary conviction to a penalty of £1,000 and the goods shall be liable to forfeiture.
- (6) Any person who contravenes or fails to comply with subsection (4) above shall be liable on summary conviction to a penalty of £500.

Delivery of entry by owner of exporting ship etc.

- 57 (1) The Commissioners may direct that any entry required to be delivered under section 53 above in respect of any goods which are to be shipped or exported in a ship or aircraft and the documents which are required to accompany it shall, instead of being delivered by the exporter be delivered by the loader (that is to say the owner of the ship or aircraft or a person appointed by him) and such delivery shall be treated as delivery by the exporter for the purposes of this Part of this Act.
- (2) The proper officer shall not accept an entry which is delivered in pursuance of subsection (1) above unless the goods in respect of which the entry is made are under the control of the loader at the time of the delivery.
- (3) Directions under this section may impose on the loader requirements as to—
- (a) the place, time and manner in which entries and any documents required by virtue of section 31 above are to be delivered.
 - (b) the production to the proper officer of such documents as may be specified in the directions; and

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- (c) the information to be supplied to the proper officer and the form and manner in which the information is to be supplied.
- (4) Directions under this section may also require that the goods in respect of which the entry is to be made shall not be loaded into the ship or aircraft in which they are to be exported without the authority of the proper officer.
- (5) Directions under this section may authorise an officer to relax all or any of the requirements imposed by the directions and, if he does so, to impose substituted requirements.
- (6) If a person without reasonable excuse fails to comply with any requirement imposed on him under this section he shall be liable on summary conviction to a penalty of £500 or in the case of a failure to comply with a requirement imposed by virtue of subsection (4) above to a penalty of £1,000.
- (7) For the purposes of this section a ship subject to charter by demise shall be treated as owned by the charterer.

Simplified clearance procedure.

- 58 (1) If the Commissioners think fit so to direct, goods which are not dutiable or restricted goods may be shipped for exportation without entry under section 53 above if—
- (a) the exporter is registered in a register of exporters maintained by the Commissioners for the purposes of this section; and
 - (b) before the goods are shipped the conditions mentioned in subsection (3) below are satisfied.
- (2) The Commissioners may for the purposes of this section—
- (a) enter in a register maintained by them any person applying for registration and appearing to them to be concerned in the exportation of goods and to satisfy such requirements for registration as they may think fit to impose;
 - (b) give directions imposing requirements on registered persons including, in particular, requirements as to the keeping of records and accounts and the giving of access to them;
 - (c) assign to registered persons numbers for use under this section; and
 - (d) suspend or cancel the registration of any person if it appears to them that he has failed to comply with any direction under this section or with section 58B(1) or (2) below or that there is other reasonable cause for suspension or cancellation.
- (3) The conditions referred to in subsection (1) above are—
- (a) that the goods are presented to the proper officer;
 - (b) that the exporter delivers to the proper officer and the proper officer accepts such document relating to the goods as the directions may require bearing an endorsement which contains a number assigned to the exporter under this section; and
 - (c) that the exporter complies with such other requirements as the directions may impose;

and goods may be treated as presented to the proper officer if notice is given, in such form and manner as the Commissioners may direct, to the proper officer of the presence of the goods at a place designated by him.

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- (4) The document referred to in subsection (3)(b) above shall be delivered in such manner as the directions may require and acceptance of that document by the proper officer shall be signified in such manner as the Commissioners may direct; and once acceptance of a document relating to any goods has been signified, the goods shall not be removed from the place they were at the time of acceptance without the permission of the proper officer.
- (5) Directions under this section may contain provision enabling the Commissioners to exclude shipments of goods from their operation in such cases as the Commissioners think fit by giving notice to that effect in accordance with the directions.
- (6) The Commissioners may relax any requirement imposed under this section as they think fit in relation to any goods and, if they do so, may impose substituted requirements.
- (7) Sections 55 and 57 above and section 58D(3) below shall apply in relation to a document required to be delivered under subsection (3)(b) above as they apply in relation to an entry and section 56 above shall apply in relation to goods in respect of which such a document has been accepted under that subsection as it applies to goods in respect of which an entry has been accepted.

Local export control.

- 58A (1) If the Commissioners think fit so to direct, goods may be shipped for exportation or exported by land without entry under section 53 above if—
- (a) the exporter is registered in a register maintained by the Commissioners for the purposes of this section; and
 - (b) the conditions mentioned in subsection (3) below are satisfied.
- (2) The Commissioners may for the purposes of this section—
- (a) maintain a register of exporters whose premises are approved by the Commissioners under section 31 above for the examination of goods intended for export;
 - (b) enter in the register any such persons applying for registration who satisfy such requirements for registration as the Commissioners may think fit to impose;
 - (c) give directions imposing requirements on registered persons including, in particular, requirements as to, the keeping of records and accounts and the giving of access to them;
 - (d) assign to registered persons numbers for use under this section; and
 - (e) suspend or cancel the registration of any person if it appears to them that he has failed to comply with any direction under this section or with section 58B(1) or (2) below or that there is other reasonable cause for suspension or cancellation.
- (3) The conditions referred to in subsection (1) above are—
- (a) that before the goods are removed from the approved premises—
 - (i) the exporter delivers to the proper officer, at such time and place as he may require, a notice of the intention to remove the goods, being a notice in such form and containing such particulars as may be required by the directions; and

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- (ii) on such day as the proper officer may appoint (not being earlier than the day that notice is delivered or later than the day the goods are removed) the exporter enters such particulars of the goods and of such other matters as may be required by the directions in a record maintained by him at such place as the proper officer may require; and
 - (b) that before the goods are shipped, the exporter delivers to the proper officer such document relating to the goods as the directions may require bearing an endorsement which contains a number assigned to the exporter under this section and complies with such other requirements as the directions may impose.
- (4) The directions may impose requirements as to—
 - (a) the manner in which the notice referred to in paragraph (a)(i) of subsection (3) above shall be delivered and the form it should take;
 - (b) the manner and form in which the record referred to in paragraph (a)(ii) of that subsection should be maintained; and
 - (c) the place at which and the manner in which the document referred to in paragraph (b) of that subsection should be delivered;and the conditions mentioned in that subsection shall not be treated as satisfied unless any requirements which are so imposed are complied with.
- (5) The Commissioners may, in addition to any exporter within subsection (2)(a) above, enter in the register any person who applies to them to be registered and satisfies them—
 - (a) that the exporter is a company under the applicant's control; or
 - (b) that the exporter has agreed to the registration of the applicant in addition to the exporter.
- (6) Where in pursuance of subsection (5) above both an exporter and another person are registered—
 - (a) the proper officer shall direct which of them shall do the things mentioned in subsection (3) above and section 58B(1) below; and
 - (b) the registration of both of them may be cancelled or suspended under subsection (2)(e) above if it appears to the Commissioners that either of them has failed as mentioned in that subsection.
- (7) The Commissioners may relax any requirement imposed under this section as they think fit in relation to any goods and, if they do so, may impose substituted requirements.
- (8) Section 56 above shall apply in relation to goods in respect of which particulars have been entered in a record under subsection (3)(a) above as it applies in relation to goods in respect of which an entry has been accepted.

Provisions supplementary to ss. 58 and 58A.

- 58B (1) Where by virtue of section 58 or 58A above goods have been shipped for exportation or exported by land without entry under section 53 above, the exporter shall deliver to the proper officer a specification of the goods containing, as the Commissioners may direct, either the particulars that would have been required to be contained in the entry or such other particulars as may be so directed.

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- (2) The specification referred to in subsection (1) above may, if the Commissioners permit, be a single specification relating to the goods exported during a particular period and shall be delivered at such place and in such manner and by such time as the Commissioners may allow.
- (3) If any person fails to deliver a specification in accordance with the foregoing provisions of this section or delivers a specification which is incorrect and does not correct it within a period of fourteen days following delivery, he shall be liable on summary conviction to a penalty of £500.
- (4) In connection with any arrangements approved by the Commissioners for recording particulars of exported goods by computer they may relax the requirements of subsections (1) and (2) above by suspending the obligation to deliver the specifications there mentioned on condition that—
 - (a) the particulars which should otherwise be contained in the specifications, or such of those particulars as the Commissioners may specify, are recorded by computer in accordance with the arrangements; and
 - (b) the particulars so recorded are subsequently delivered to the proper officer within such time as the Commissioners may specify;
 but subject to such other conditions as they may impose.
- (5) If any person without reasonable excuse fails to comply with a requirement imposed on him by or under section 58 or 58A above he shall be liable on summary conviction to a penalty of £500.
- (6) If any person for the purpose of enabling goods to be shipped in accordance with either of those sections furnishes any document bearing a number assigned under that section which is not one for the time being assigned to him or to another person who has consented to his furnishing the document bearing that number, he shall be liable on summary conviction to a penalty of £500.
- (7) In sections 58 and 58A above references to a person registered under either of those sections do not include references to a person whose registration is for the time being suspended; and for the purposes of subsection (6) above a person whose registration is for the time being suspended shall be regarded as not having any number assigned to him.

Pipe-lines and export of ships and aircraft.

- 58C (1) For the purposes of this Part of this Act goods which are to be exported by means of a pipe-line shall be treated as having been presented to the proper officer when notice of the goods to be exported has been given to the proper officer and accepted by him.
- (2) Notice under subsection (1) above shall be given by such person and in such form and manner and shall contain such particulars as the Commissioners may direct.
- (3) A ship or aircraft departing from the United Kingdom which—
- (a) is within the definition of dutiable or restricted goods in section 52 above; or
 - (b) is a ship built, or aircraft manufactured, in the United Kingdom departing for the first time for a voyage or flight to a place outside the United Kingdom for the purpose of its delivery to a consignee outside the United Kingdom,
- shall be treated for the purposes of this Part of this Act both as goods shipped for exportation and as the exporting ship or aircraft and, in the case of a ship or aircraft

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within paragraph (b) above, the owner of the ship or aircraft or, where the owner is outside the United Kingdom, the builder of the ship or the manufacturer of the aircraft shall be deemed to be the exporter.

Operative date for Community purposes.

- 58D (1) Except as provided by any Community regulation or other instrument having the force of law and subject to subsection (3) below, the operative date for determining whether any, and if so what, levy or other charge provided for under any Community provision governing the exportation of goods is due in respect of the goods and for applying any other such provision including, in particular, any provision whereby any refund or relief is due in respect of the goods shall be such date as is mentioned in subsection (2) below.
- (2) The date referred to in subsection (1) above is—
- (a) in a case where an entry or a document such as is mentioned in section 58(3)(b) above is delivered, the date of acceptance of the entry or document;
 - (b) in the case of goods particulars of which are entered in a record in accordance with section 58A(3)(a)(ii) above, the day appointed for that entry;
 - (c) in the case of goods in relation to which substituted requirements are imposed under section 53(7) or 58(6) above, such date as the Commissioners may specify;
 - (d) in any other case, the date on which the goods are shipped or exported by land or, if that date cannot be established to the Commissioners' satisfaction, such date as they may specify.
- (3) At the time when the proper officer accepts an entry delivered in pursuance of section 57(1) above he may direct that the operative date for the purposes of this section shall be the date on which the entry was furnished by the exporter to the loader.
- (4) Where a substituted entry is delivered under section 54(2) or 55(3) above the entry referred to in subsections (2)(a) and (3) above is the original entry.

Authentication of Community customs documents.

- 58E (1) In such cases as the Commissioners may direct, an officer shall not authenticate any Community customs document unless—
- (a) there is presented with the document—
 - (i) an entry relating to the goods in question and complying with section 53 above; or
 - (ii) a document relating to the goods and complying with section 58(3)(b) above; or
 - (iii) a document to be used instead of an entry or such a document as aforesaid by virtue of substituted requirements imposed under section 53(7) or 58(6) above; and
 - (b) the officer marks the Community customs document and the entry or other document referred to in paragraph (a) above with a registration number allocated by the Commissioners for that purpose.
- (2) Subject to subsections (3) and (4) below, a person who has obtained an authenticated Community customs document in respect of any goods shall surrender it at the office

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- at which it was obtained, together with the entry or other document marked under subsection (1)(b) above (“the marked export document”), unless—
- (a) the goods are shipped, or cleared by the proper officer for export by land, before the end of such period as may be specified by directions given by the Commissioners; and
 - (b) the marked export document is delivered to the proper officer as required by or under the provisions mentioned in subsection (1)(a) above.
- (3) The proper officer may, on an application made to him before the end of the period mentioned in subsection (2) above, permit the retention of the authenticated Community customs document and the marked export document.
 - (4) The proper officer may at any time require a person who has obtained an authenticated Community customs document in respect of any goods to surrender to him that document and the marked export document.
 - (5) If a person without reasonable excuse fails to comply with subsection (2) above he shall be liable on summary conviction to a penalty of £500 ; and if a person without reasonable excuse fails to comply with a requirement imposed under subsection (4) above he shall be liable on summary conviction to a penalty of £1000.
 - (6) In this section “Community customs document” means a document which in accordance with any Community instrument or any agreement permitted under such an instrument or in accordance with any arrangements made between the Commissioners and any other customs authority—
 - (a) is used to indicate whether or not the goods are Community goods or are subject to duty at a preferential rate in any country with which the Community has an agreement of association; and
 - (b) is required to be authenticated by the customs authorities of the member State from which they are exported.
 - (7) In subsection (6) above “Community goods” means—
 - (a) goods which satisfy the conditions laid down in Articles 9 and 10 of the E.E.C. Treaty; and
 - (b) goods to which the E.C.S.C. Treaty applies and which under the terms of that Treaty are in free circulation within the European Coal and Steel Community.

PART II U.K.

AMENDMENTS OF CUSTOMS AND EXCISE MANAGEMENT ACT 1979

Control of movement of goods

- 1 (1) Section 31 shall be amended as follows.
- (2) In subsection (1)—
 - (a) in paragraph (a) after the words “such goods” there shall be inserted the words “ or the place of exportation of such goods ” ; and
 - (b) in paragraph (b) after the words “such goods” there shall be inserted the words “ , or a place designated by the proper officer under section 53(4) or 58(3) below, ”.
- (3) After subsection (2) there shall be inserted—

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“(2A) Any documents required to be made or produced as a result of regulations made under subsection (1) above shall be made or produced in such form and manner and contain such particulars as the Commissioners may direct; but the Commissioners may relax any requirement imposed under the regulations that any specific document be made or produced and if they do so may impose substituted requirements.”

- (4) In subsection (3) after the words “such regulation” there shall be inserted the words “or a direction made under subsection (2A) above or any requirement imposed under that subsection”.

Dutiable or restricted goods

- 2 (1) Section 52 shall be amended as follows.

- (2) After paragraph (l) there shall be inserted—

“(g) goods incorporating or resulting from the use of inward processing goods or any goods which, following a determination by the Commissioners, are to be treated for customs purposes as inward processing goods in substitution for such goods.”.

- (3) The provisions of that section as amended by sub-paragraph (2) above shall become subsection (1) and after that subsection there shall be inserted—

“(2) In this section “inward processing goods” means goods imported for the purpose of being worked on, processed or used in any process or repaired and on the importation of which relief from import duty or agricultural levy was given on condition that goods incorporating or resulting from the use of them would be exported outside the Community; and in this subsection “agricultural levy” means any tax or charge, not being a customs duty, provided for under the common agricultural policy or under any special arrangements which, pursuant to Article 235 of the E.E.C. Treaty are applicable to goods resulting from the processing of agricultural products.”

Restrictions on putting export goods alongside for loading

- 3 In section 59(1) for the words “whether under section 53 or section 54 above” there shall be substituted the words “under section 53 above”.

Provisions as to stores

- 4 (1) Section 61 shall be amended as follows.

- (2) In subsection (2) (right to ship stores in ship of not less than 40 tons register or aircraft departing for a voyage or flight to some place outside the United Kingdom) for the words “to some place outside the United Kingdom” there shall be substituted the words “to a country outside the United Kingdom”.

- (3) In subsection (3) (power of Commissioners to permit stores to be shipped in ship of less than 40 tons register which is departing for a place or area outside the United Kingdom) for the words from “any ship” onwards there shall be substituted the words—

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- “(a) any ship departing from the United Kingdom, being either a ship of not less than 40 tons register departing for a voyage not falling within subsection (2) above or a ship of less than 40 tons register; or
- (b) any aircraft departing from the United Kingdom for a flight not falling within that subsection.”

(4) For subsection (9) there shall be substituted—

“(9) References in this section to a country or destination outside the United Kingdom do not include references to, or to a destination in, the Isle of Man ; and subsection (5) above applies whether the goods were shipped in the United Kingdom or the Isle of Man.”

Power to make regulations as to exportation, etc.

- 5 In section 66(2) for the words “a penalty of £100” there shall be substituted the words “a penalty of £500, or in the case of a contravention of or a failure to comply with a regulation made under subsection (1)(b) above a penalty of £1,000, ”.

^{x21}SCHEDULE 8 U.K.

Section 11(1).

MISCELLANEOUS CUSTOMS AND EXCISE AMENDMENTS

Editorial Information

X21 The text of Sch. 6, 8 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and, except as specified, does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

PART I U.K.

AMENDMENTS OF ^{M53}CUSTOMS AND EXCISE MANAGEMENT ACT 1979

Marginal Citations

M53 1979 c. 2.

Definition of “revenue trader”

- 1 (1) In the definition of “revenue trader” in subsection (1) of section 1—
- (a) after the word “means” there shall be inserted “ (a) ” ; and
 - (b) for the words “and includes a registered club” there shall be substituted the words “ ; and
 - (b) any person who is a wholesaler or an occupier of an excise warehouse (so far as not included in paragraph (a) above),
 and includes a registered club ”.

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- (2) In the Table in subsection (3) of that section the word “wholesaler” shall be inserted after the word “spirits”.

Warehousing regulations

- 2 In section 93—
- (a) in paragraph (a) of subsection (2) after the words “deposited in” there shall be inserted the words “secured in” ;
 - (b) ^{F73}
 - (c) after subsection (2) there shall be inserted—
 - “(2A) Where any documents removed under the powers conferred by subsection (2)(g) above are lost or damaged the Commissioners shall be liable to compensate their owner for any expenses reasonably incurred by him in replacing or repairing the documents.” ; and
 - (d) in subsection (6)—
 - (i) for the words “or restriction” there shall be substituted the words “restriction or requirement” ; and
 - (ii) for “£100” there shall be substituted “£200 together with a penalty of £20 for each day on which the failure continues”.

Textual Amendments

F73 Sch. 8 paras. 2(b), 14(b) repealed by Finance Act 1986 (c. 41, SIF 40:1), s. 114, Sch. 23 Pt. I

Deficiency in warehoused goods

- 3 Section 94(2) shall cease to have effect.

Procedure on warehouse ceasing to be approved

- 4 In section 98—
- (a) at the end of subsection (1) there shall be inserted the words “ and, unless the notice has been withdrawn or extended, the warehouse shall cease to be approved on that date ” ; and
 - (b) for subsection (3) there shall be substituted—
 - “(3) If after the date, on which the warehouse ceases to be approved any goods not duly cleared still remain in the former warehouse—
 - (a) they may be taken by an officer to a Queen’s warehouse and, without Prejudice to section 99(3) below, if they are not cleared from it within one month may be sold ; or
 - (b) if the Commissioners so allow, they may re in the former warehouse and if they are not cleared from it within one month may be sold.

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(3A) Where in accordance with paragraph (b) above goods remain in the warehouse after the revocation or expiry of the Commissioners' approval—

- (a) subsections (6) and (7) of section 99 below shall apply to them as if they were deposited in a Queen's warehouse under the Customs and Excise Acts 1979; and
- (b) sections 93, 94, 95 and 97 above and section 100 below shall apply and any security given by bond or otherwise and any condition imposed by or under the customs and excise Acts shall continue to have effect, as if the former warehouse were still a warehouse."

Excise licences

5 Sections 105 and 106 shall cease to have effect.

Powers of entry on premises of revenue traders

6 In section 112—

- (a) in subsection (1) after the word "machinery" there shall be inserted the word "vehicles"; and
- (b) in subsection (3) for the words "or maker of cider" there shall be substituted the words ", maker of cider or occupier of an excise warehouse".

Power to estimate excise duties

7 After section 116 there shall be inserted—

"116A Power to estimate excise duties.

- (1) Where an amount is due on account of any excise duty but the Commissioners are unable to ascertain the amount of the duty properly due because—
 - (a) returns, accounts, records or other documents have not been made, kept, preserved or produced by the occupier of an excise warehouse or a distiller as required by or under the provisions of the customs and excise Acts; or
 - (b) it appears to the Commissioners that any returns, accounts, records or other documents so made, kept, preserved or produced are incomplete or incorrect,
 they may estimate the amount due.
- (2) Without prejudice to the recovery of the full amount due or to the making of a further estimate, the amount estimated shall be recoverable as duty properly due unless in any action relating thereto the person liable proves the amount properly due and that amount is less than the amount estimated."

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Execution and distress

8 After subsection (7) of section 117 there shall be inserted—

“(7A) Where distress is levied under this section for any amount estimated under section 116A above and it is afterwards proved that the amount properly due was less than the amount estimated, that shall not affect the legality of the distress or anything done under this section in connection therewith, but the proceeds of sale shall be applied under subsection (7) above in accordance with the amount properly due and not in accordance with the amount estimated”.

Proof of documents

9 In section 153 after subsection (3) there shall be inserted—

“(4) A photograph of any document delivered to the Commissioners for any customs or excise purpose and certified by them to be such a photograph shall be admissible in any proceedings, whether civil or criminal, to the same extent as the document itself.”

PART II U.K.

AMENDMENTS OF ^{M54}ALCOHOLIC LIQUOR DUTIES ACT 1979

Marginal Citations

M54 1979 c. 4.

Ascertainment of volume etc. of alcoholic liquors from labels etc.

10 After subsection (3) of section 2 there shall be inserted—

“(3A) Without prejudice to the generality of subsection (3) above, regulations under that subsection may provide that for the purpose of charging duty on any spirits, wine or made-wine contained in any bottle or other container, the strength, weight or volume of the spirits, wine or made-wine may be ascertained by reference to any information given on the bottle or other container by means of a label or otherwise or to any documents relating to the bottle or other container.”

Definitions of “wholesale” and “wholesaler”

11 For the definitions of “wholesale” and “wholesaler” in section 4(1) there shall be substituted—

““wholesale”, in relation to dealing in dutiable alcoholic liquor, means the sale at any one time to any one person of quantities not less than the following, namely—

- (a) in the case of spirits, wine or made-wine, 9 litres or 1 case; or
- (b) in the case of beer or cider, 20 litres or 2 cases;

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“wholesaler” means a person who deals wholesale in dutiable alcoholic liquor;”.

Regulations about manufacture of spirits

12 In section 13—

(a) after subsection (1) there shall be inserted—

“(1A) Without prejudice to the generality of subsection (1) above, regulations under that subsection may—

- (a) provide for the imposition under the regulations of conditions and restrictions relating to the matters mentioned in that subsection; and
- (b) impose or provide for the imposition of requirements on a manufacturer of spirits to keep and preserve records relating to his business as such a manufacturer and to produce them to an officer when required to do so for the purpose of allowing him to inspect them, to copy or take extracts from them or to remove them at a reasonable time and for a reasonable period.

(1B) Where any documents removed under the powers conferred by subsection (1A)(b) above are lost or damaged the Commissioners shall be liable to compensate their owner for any expenses reasonably incurred by him in replacing or repairing the documents.”;

(b) in subsection (3) after the words “subsection (1) above” there shall be inserted the words “or with any condition, restriction or requirement imposed under such a regulation” and after the words “£1,000” there shall be inserted the words “together in the case of such a failure with a penalty of £20 for each day on which the failure continues” ;

(c) at the end of subsection (4) there shall be inserted the words “or with any condition, restriction or requirement imposed under that regulation”.

Attenuation charge for distilled spirits

13 In section 14(2) for the words “8.8 degrees” in both places where they occur there shall be substituted the words “ 8 degrees ”

Distillers’ warehouses

14 In section 15—

(a) for subsection (2) there shall be substituted—

“(2) The Commissioners may approve such a place of security for such periods and subject to such conditions as they think fit.” ;

(b)

F74

(c) in subsection (7) after the words “subsection (6) above” there shall be inserted the words “or with any condition, restriction or requirement

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imposed under such a regulation” and after the words “£1,000” there shall be inserted the words “together in the case of such a failure with a penalty of £20 for each day on which the failure continues”.

- (d) at the end of subsection (8) there shall be inserted the words “or with any condition, restriction or requirement imposed under that regulation”.

Textual Amendments

F74 Sch. 8 paras. 2(b), 14(b) repealed by Finance Act 1986 (c. 41, SIF 40:1), s. 114, Sch. 23 Pt. I

Rectifying and compounding of spirits

15 In section 19—

- (a) after subsection (1) there shall be inserted—

“(1A) Without prejudice to the generality of subsection (1) above, regulations under that subsection may—

- (a) provide for the imposition under the regulations of conditions and restrictions relating to the matters mentioned in that subsection; and
(b) impose or provide for the imposition under the regulations of requirements on rectifiers and compounders of spirits to keep and preserve records relating to their business as such and to produce them to an officer when required to do so for the purpose of allowing him to inspect them, to copy or take extracts from them or to remove them at a reasonable time and for a reasonable period.

(1B) Where any documents removed under the powers conferred by subsection (1A)(b) above are lost or damaged the Commissioners shall be liable to compensate their owner for any expenses reasonably incurred by him in replacing or repairing the documents.”;

- (b) in subsection (2) after the word “section” there shall be inserted the words “or with any condition, restriction or requirement imposed under any such regulation” and
(c) at the end of subsection (3) there shall be inserted the words “or with any condition, restriction or requirement imposed under that regulation”.

Drawback on British compounds and spirits of wine

16 In section 22 after subsection (3) there shall be inserted—

“(3A) The Commissioners may, subject to such conditions and restrictions as they may by regulations impose, allow drawback to any person on any British compounded spirits or spirits of wine rectified or compounded by him from duty-paid spirits and not containing any methyl alcohol or any wine, made-wine or other fermented liquor if they are exported direct from his premises.”

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Restrictions on distillers and rectifiers

17 In section 24—

- (a) at the beginning of subsection (1) there shall be inserted the words “ Save with the permission of the Commissioners and subject to compliance with such conditions as they see fit to impose ” ; and
- (b) in subsection (3) after the word “retailer” there shall be inserted the words “ or wholesaler ”.

Spirits consignment and advice notes

18 Sections 27 to 30 shall cease to have effect.

Transfer of spirit from distillers’ warehouses

19 In section 32(1) the words from “and” onwards shall cease to have effect.

Abolition of wholesalers’ licences etc.

20 Sections 65, 68, 70 and 85 to 89 shall cease to have effect.

Restrictions on wholesalers of spirits

21 At the beginning of section 69(1) there shall be inserted the words “ Save with the permission of the Commissioners and subject to compliance with such conditions as they see fit to impose. ”.

Methylated spirits

22 Section 76 shall cease to have effect.

23 In section 77—

- (a) in subsection (1) in paragraph (d) for the words “the sale without a licence of” there shall be substituted the words “ dealing wholesale (within the meaning of section 75 above) without a licence in ” ;
- (b) at the end of subsection (2) there shall be inserted the words “and, without prejudice to the generality of subsection (1) above, regulations under this section may—
 - (a) provide for the imposition under the regulations of conditions and restrictions relating to the matters mentioned in that subsection ; and
 - (b) impose or provide for the imposition by regulations of requirements on authorised or licensed methylators and on retailers of methylated spirits to keep and preserve records relating to their businesses as such and to produce, them to an officer when required to do so for the purpose of allowing him to inspect them, to copy or take extracts from them or to remove them at a reasonable time and for a reasonable period.”;
- (c) after that subsection there shall be inserted—
 - “(2A) Where any documents removed under the powers conferred by subsection (2)(b) above are lost or damaged the Commissioners

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shall be liable to compensate their owner for any expenses reasonably incurred by him in replacing or repairing the documents.”;

- (d) in subsection (3) for the words “he shall be liable” onwards there shall be substituted the words “ or with any condition, restriction or requirement imposed under such a regulation, he shall be liable on summary conviction to a penalty of £500 together in the case of such a failure with a penalty of £20 for each day on which the failure continues ” ; and
- (e) in subsection (4) for the word “sells” there shall be substituted the words “ deals wholesale (within the meaning of section 75 above) in ” and the words “or 76” shall cease to have effect.

PART III U.K.

AMENDMENTS OF LICENSING ACTS

The ^{M55}Licensing Act 1964

Marginal Citations

M55 1964 c. 26.

- [^{F75}24 In section 181 of the Licensing Act 1964—
- (a) for the words from “the holder” to “his wholesaler’s licence extends” there shall be substituted the words “ a wholesaler within the meaning of section 4 of the Alcoholic Liquor Duties Act 1979 may, at the premises from which he deals wholesale, sell by retail without a justices’ licence any intoxicating liquor other than cider in which he deals wholesale ” ; and
 - (b) in paragraph (b) (iii) for the words “holder of the wholesaler’s licence” there shall be substituted the word “ wholesaler ”.]

Textual Amendments

F75 Sch. 8 para. 24 repealed (E.W.) by [Licensing \(Retail Sales\) Act 1988 \(c. 25, SIF 68A:1\)](#), s. 3(e)

- 25 In the definition of “intoxicating liquor” in section 201(1) of that Act for the words from “but” onwards there shall be substituted the words “but does not include—
- (a) any liquor which, whether made on the premises of a brewer for sale or elsewhere, is found on analysis of a sample thereof at any time to be of an original gravity not exceeding 1016° and of a strength not exceeding 1.2 per cent;
 - (b) perfumes;
 - (c) flavouring essences recognised by the Commissioners as not being intended for consumption as or with dutiable alcoholic liquor;
 - (d) spirits, wine or made-wine so medicated as to be, in the opinion of the Commissioners, intended for use as a medicine and not as a beverage;

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and expressions used in paragraphs (a) and (d) above shall have the same meaning as in the Alcoholic Liquor Duties Act 1979.”.

26—28. F76

Textual Amendments

F76 Sch. 8 paras. 26–28 repealed by S.I. 1990/594, (N.I.6), art. 90(4), Sch. 13

SCHEDULES 9—

12.

F77 U.K.

Textual Amendments

F77 Schedules 9–12 repealed by Income and Corporation Taxes Act 1988 (c. 1), s. 844, Sch. 31

F78F78 SCHEDULES

13, 14 U.K.

Textual Amendments

F78 Schs. 13, 14 repealed by Capital Transfer Tax Act 1984 (c. 51), ss. 274, 277, Schs. 7, 9

F78

F79F79 SCHEDULE 15 U.K.

Textual Amendments

F79 Sch. 15 repealed by Finance Act 1982 (c. 39), ss. 97(4), 157, Sch. 22, Pt. VII Note I

F79

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^{F80}SCHEDULE 16 U.K.

Section 128(1)

SUPPLEMENTARY PETROLEUM DUTY

Textual Amendments

F80 Sch. 16 repealed by Finance Act 1982 (c. 39), s. 157(6), Sch. 22 Pt. IX for chargeable periods ending after 31 December 1982.

Management

- 1 The duty shall be under the care and management of the Board.
- 2 (1) The provisions of the Taxes Management Act 1970 which are applied in relation to petroleum revenue tax by paragraph I of Schedule 2 to the principal Act shall apply also in relation to the duty.
(2) Those provisions shall apply with the same modifications as are specified in the said paragraph 1, taking references to Part I of the principal Act as including references to Part VIII of this Act.

Returns and information

- 3 The particulars contained in returns made under paragraph 2 or 5 of Schedule 2 to the principal Act (returns by participators and by the responsible person for an oil field) shall be treated as furnished, and the powers conferred on the Board by paragraph 7 of that Schedule (production of accounts etc.) shall be exercisable, for the purposes of the duty as well as for the purposes of petroleum revenue tax, and accordingly references to that tax in paragraphs 3(2) and 8(1) and (2) of that Schedule (penalties) shall include references to the duty.

Assessments and determinations

- 4 (1) Where it appears to the Board that, in accordance with Part VIII of this Act, a gross profit has accrued to a participator in a chargeable period from an oil field, they shall make an assessment to the duty on the participator and give him notice of the assessment.
(2) Where it appears to the Board that, in accordance with Part VIII of this Act, no gross profit has accrued to a participator in a chargeable period from an oil field, they shall make a determination to that effect and give him notice of the determination.
(3) A notice of assessment shall state that the participator may appeal against the assessment in accordance with paragraph 7 below.
(4) After the service of the notice of assessment or the notice of determination the assessment or determination, as the case may be, shall not be altered except in accordance with the provisions applied by paragraph 2 above or the subsequent provisions of this Schedule.
- 5 (1) Where a participator has under paragraph 2 of Schedule 2 to the principal Act delivered to the Board a return for a chargeable period and the Board are satisfied that the information given in the return is correct in so far as it is material for the purpose of computing his gross profit (if any) for that period, the Board shall (in so

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far as the computation falls to be made by reference to the matters dealt with in the return) make the assessment or determination under paragraph 4 above in accordance with the return.

- (2) Where the Board are not so satisfied in relation to a participator's return or a participator fails to deliver to the Board a return for a chargeable period as required by the said paragraph 2, the Board shall, in so far as the computation of his gross profit (if any) for that period falls to be made by reference to the matters which were dealt with in the return or, as the case may be, ought to have been dealt with in a return, make the assessment or determination under paragraph 4 above to the best of their judgment.
- (3) Nothing in sub-paragraph (2) above or in paragraph 5 of Schedule 2 to the principal Act shall be taken, in a case where the participator has delivered a return as to which the Board are not satisfied as mentioned in sub-paragraph (1) above, to prevent the Board from basing their assessment or determination on the participator's having had an interest in oil won and saved from the field different from that on which he based his return.
- 6 (1) Where it appears to the Board—
- (a) that the gross profit charged to the duty by an assessment ought to have been larger or smaller; or
 - (b) that for any period they ought to have made an assessment to the duty instead of a determination under paragraph 4(2) above or such a determination instead of an assessment to the duty,

the Board may make any such assessment or determination or any such amendment of an assessment as may be necessary.

- (2) Where under this paragraph the Board make an assessment or determination or amend an assessment, they shall give notice thereof to the participator concerned; and sub-paragraphs (3) and (4) of paragraph 4 above shall apply in relation to any such assessment, determination or amendment as they apply in relation to an assessment or determination under that paragraph.

Appeals

- 7 (1) A participator may appeal to the Special Commissioners against an assessment or an amendment of an assessment made on him by notice of appeal in writing given to the Board within thirty days after the date of issue of the notice of assessment or of the amendment.
- (2) The notice of appeal shall specify the grounds of appeal, but on the hearing of the appeal the Commissioners may allow the appellant to put forward any ground not specified in the notice, and may take it into consideration if satisfied that the omission was not wilful or unreasonable.
- (3) The participator may at any time, if the Board do not object, abandon an appeal instituted by him; and for that purpose he shall notify his desire to do so to the Board who may, within thirty days after being so notified, object by notice in writing to the participator.
- (4) Where at any time between—
- (a) the giving of a notice of appeal against the assessment or the amendment of the assessment or from a decision of the Board on a claim under section 33 of the Taxes Management Act 1970 as applied by paragraph 2 above; and

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- (b) the determination of the appeal by the Special Commissioners, the Board and the participator agree on how the assessment, amendment or decision should be varied or on what assessment or determination should be substituted in relation to the chargeable period in question, the same consequences shall ensue as if the Commissioners had determined the appeal to that effect.
- (5) If, on the appeal against an assessment or an amendment of an assessment, it appears to the majority of the Commissioners present at the hearing that the assessment or amendment is wrong—
 - (a) because no, or a smaller, gross profit has accrued for the chargeable period in question; or
 - (b) because a, or a larger, gross profit has accrued for that period,the Commissioners shall vary the assessment or amendment in such manner, or substitute such determination, as may be required; and it shall be for the participator to satisfy the Commissioners as to any matters within paragraph (a) above.
- (6) Save as otherwise provided by this Schedule (including the provisions applied by paragraph 2 above) the determination by the Special Commissioners of any appeal shall be final and conclusive.
- 8 (1) A participator who has given notice of appeal under paragraph 7 above against an assessment charging him with any duty for a chargeable period may, if he delivered a return for that period as required by paragraph 2 of Schedule 2 to the principal Act, withhold, until the determination or abandonment of the appeal, so much of the duty charged in the assessment as is the smaller of—
 - (a) the amount of the duty so charged; and
 - (b) duty on the difference between—
 - (i) the aggregate of the consideration received or receivable for oil as stated in the participator's return in pursuance of sub-paragraph (2) of the said paragraph 2 and, subject to sub-paragraph (2) below, the market value of oil so stated; and
 - (ii) the aggregate of the corresponding consideration and value as included in the assessment.
- (2) Subject to sub-paragraph (3) below, where the market value of all the oil for which a market value is stated in the participator's return is, as stated in that return, less than the value which is produced for that oil by applying to it the average price mentioned in sub-paragraph (4) below, sub-paragraph (1) above shall have effect as if, for the reference to the market value of oil as so stated, there were substituted a reference to the value which is so produced for that oil.
- (3) The comparison of values and the substitution required by sub-paragraph (2) above shall, in the case of an appeal by a participator whose return relates both to gas and to other oil, be made separately for the gas and for the other oil.
- (4) The average price referred to in sub-paragraph (2) above is the average price at which all oil included in the relevant returns as oil delivered in the period covered by the returns and disposed of in sales at arm's length was so disposed of.
- (5) The relevant returns for the purposes of sub-paragraph (4) above are all the returns of all the participators in all oil fields which—
 - (a) were made for the chargeable period preceding that to which the appeal relates; and

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- (b) were delivered before the end of the chargeable period to which the appeal relates.
- (6) Where in determining the gross profit accruing to a participator from a field in a chargeable period the aggregate of the amounts mentioned in section 2(5)(a), (b) and (c) of the principal Act falls to be increased under section 123 of this Act (whether as respects all oil or as respects a particular kind or kinds of oil) the difference mentioned in sub-paragraph (1)(b) above (or as the case may be, the difference so far as relating to oil of the particular kind or kinds in question) shall be increased by multiplying it by the fraction mentioned in subsection (2) of that section.

Payment

- 9 Subject to paragraphs 7 and 8 above, the duty charged in an assessment made on a participator for any chargeable period, so far as not paid under paragraphs 10 and 11 below, shall be payable by him four months after the end of that chargeable period or, if later, thirty days after the date of issue of the notice of assessment.

Modifications etc. (not altering text)

C21 See Finance Act 1982 (c. 39), s. 135(1)(b)—no payment of duty required by virtue of a deemed determination under s. 135(1)(a)

- 10 (1) Every participator in an oil field shall, at the time when he delivers to the Board the return for a chargeable period required by paragraph 2 of Schedule 2 to the principal Act—
- (a) deliver to the Board a statement showing whether any, and if so what, amount of duty is payable by him under this paragraph for that period in respect of the field; and
 - (b) pay to the Board a sum equal to the amount of duty, if any, shown in the statement.
- (2) The statement under sub-paragraph (1)(a) above shall be in such form as the Board may prescribe.
- (3) For the purposes of sub-paragraph (1)(a) above the duty payable by a participator for any chargeable period in respect of an oil field shall be determined by him by—
- (a) calculating the gross profit accruing to him for that period from the field by reference to the particulars included in the return in pursuance of the paragraph 2(2) of Schedule 2 to the principal Act (and without regard to sections 123 and 124 of this Act);
 - (b) making any addition required by section 123 of this Act;
 - (c) making the reduction required by section 124 of this Act; and
 - (d) applying to the result the percentage rate at which the duty is chargeable for the period.
- (4) The sum paid under sub-paragraph (1)(b) above shall constitute a payment on account of the duty charged in any assessment made on the participator in respect of the gross profit accruing to him for the chargeable period from the oil field; and if the payment on account exceeds the duty so charged the excess shall be repaid to the participator.

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- (5) Where a participator gives notice of appeal under paragraph 7 above against an assessment charging duty in respect of which he has made a payment on account, the amount, if any, to be repaid under sub-paragraph (4) above shall be calculated as if the duty charged in the assessment were limited to the duty which he would not be entitled to withhold under paragraph 8 above.

Modifications etc. (not altering text)

C22 See Finance Act 1982 (c. 39), s. 135(3)(c)—para. 10 not to apply to additional returns made under the Oil Taxation Act 1975 Sch. 2 para. 2 by virtue of s. 135(3)(a) in relation to further determinations made after 31 December 1981.

C23 See Finance Act 1982 (c. 39), s. 139(6), Sch. 19 para. 12—payments for chargeable period to December 1982.

- 11 (1) Subject to sub-paragraphs (4) and (6) below, every participator in an oil field shall, in the third month of each chargeable period and in each of the four succeeding months, make to the Board an advance payment of duty in respect of the field for that period.
- (2) The amount of each payment shall be equal to one-fifth of the amount, if any, shown in the statement delivered by the participator under paragraph 10(1)(a) above as payable by him in respect of the field for the last chargeable period.
- (3) The aggregate of the advance payments of duty made by a participator in respect of a field for a chargeable period—
- (a) shall, to the extent to which it does not exceed the sum which sub-paragraph (1)(b) of paragraph 10 above requires him to pay when delivering his return for that period in respect of the field—
- (i) discharge his liability to pay the whole or a corresponding part of that sum; and
- (ii) be treated for the purposes of sub-paragraph (4) of that paragraph as if it were, or were part of, a sum paid by him under sub-paragraph (1) (b) of that paragraph; and
- (b) shall, to the extent to which it exceeds the sum required to be paid as aforesaid, be repaid to him.
- (4) If in any month in a chargeable period a participator in an oil field—
- (a) has not delivered (otherwise than to the Secretary of State) any of the oil which has been won from the field and disposed of by him at any time in or before that month; and
- (b) has not relevantly appropriated any of the oil which has been so won by him at any such time,
- he shall be entitled to withhold the advance payment of duty (if any) in respect of the field for that period which next falls to be made by him after the end of that month.
- (5) An advance payment shall not be withheld by virtue of the conditions in sub-paragraph (4) above being fulfilled in any month unless a notice to that effect, in such form as the Board may prescribe, is given to the Board before the end of the next month and—
- (a) where the Board are not satisfied with any such notice the powers conferred by paragraph 7 of Schedule 2 to the principal Act (production of accounts etc.) shall be exercisable as if the notice were a return under paragraph 2 of that Schedule; and

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- (b) paragraph 8 of that Schedule (penalties) shall apply to an incorrect notice as it applies to an incorrect return under paragraph 2.
- (6) No advance Payment of duty shall be made in respect of the first chargeable period to which Part VIII of this Act applies or in respect of the first chargeable period for any oil field.
- 12 Certificates of tax deposit issued by the Treasury under section 12 of the ^{M56}National Loans Act 1968 on terms published on or before 14th May 1979 may be used for making payments of duty; and for that purpose those terms shall have effect with the necessary modifications and as if the duty in or towards the payment of which a certificate is used where due—
- (a) in the case of duty payable under paragraph 9 or 10 above, two months after the end of the chargeable period to which it relates;
- (b) in the case of duty payable under paragraph 11 above, at the end of the month in which it is required to be paid.

Marginal Citations

M56 1968 c. 13

Interest

- 13 (1) Duty charged in an assessment for a chargeable period shall carry interest at the rate applying under paragraph 15 of Schedule 2 to the principal Act from two months after the end of the period until payment.
- (2) Any amount payable by a participator as an advance payment of duty in respect of a field for a chargeable period and not paid by him in the month in which it ought to be paid shall carry interest at the rate applying under paragraph 15 of Schedule 2 to the principal Act from the end of that month until—
- (a) payment of the amount; or
- (b) two months after the end of that period,
- whichever is the earlier.
- (3) Where under paragraph 8 above duty may be withheld until the determination or abandonment of an appeal, the interest on that duty may also be withheld until the determination or abandonment of the appeal.
- (4) Where any amount of duty charged by an assessment or paid on account of duty so charged becomes repayable, that amount shall carry interest at the rate applying under paragraph 15 of Schedule 2 to the principal Act from—
- (a) two months after the end of the chargeable period for which the assessment was made; or
- (b) the date on which it was paid,
- whichever is the later, until [^{F81}the order for repayment is issued].
- (5) Where any amount of duty paid as an advance payment becomes repayable under paragraph 11(3)(b) above, that amount shall carry interest at the rate applying under paragraph 15 of Schedule 2 to the principal Act from—
- (a) two months after the end of the chargeable period in respect of which it was paid; or

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- (b) the date on which it was paid,
whichever is the later, until [^{F81}the order for the repayment is issued].
- (6) For the purposes of sub-paragraph (2) above a payment of overdue duty shall, so far as possible be attributed to the earliest month for which duty is overdue; and for the purposes of sub-paragraphs (4) and (5) above any amount that becomes repayable shall, so far as possible, be regarded as consisting of the duty most recently paid.
- (7) In its application (by virtue of paragraph 2(1) above) to interest payable under sub-paragraph (2) above, section 69 of the Taxes Management Act 1970 shall have effect with the omission of the words “charged and due and payable under the assessment to which it relates”.
- (8) Interest paid to a participator under sub-paragraph (4) or (5) above shall be disregarded in computing his income for the purposes of corporation tax.

Textual Amendments

- F81** Words substituted by Finance Act 1989 (c. 26), s. 180(2)(c)(7)—deemed always to have had effect. Previously “repayment”.

Transfers to associated companies

- 14 In paragraph 5(2) and (4) of Schedule 3 to the principal Act (liability for petroleum revenue tax and interest in the case of transfers to associated companies) the references to tax and to interest payable under Part I of that Act shall include references to the duty and to interest payable under paragraph 13 above.]

^{X22}SCHEDULE 17 **U.K.**

Section 134.

SPECIAL TAX ON BANKING DEPOSITS

Editorial Information

- X22** The text of Sch. 17 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.

PART I **U.K.**

THE BASE PERIOD AND CHARGEABLE DEPOSITS

The base period

- 1 (1) The base period for the purposes of section 134 of this Act (“the principal section”) is the last quarter of 1980; and the average chargeable deposits held by a person in that period shall be determined by—
- (a) aggregating the chargeable deposits held by him at the close of a business on 15th October, 19th November and 10th December 1980; and

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- (b) dividing the result by three.
- (2) Where a person regularly prepares statistics of the deposits held by him as at the close of business on a particular day in each month and the day in October, November or December 1980 is not that mentioned in sub-paragraph (1)(a) above, the Board may, on the application of that person, direct that for any of those days there shall be substituted the day in the month in question for which that person has prepared the statistics.
- (3) Any time at which the amount of the chargeable deposits held by a person falls to be ascertained by virtue of this paragraph is in this Schedule referred to as a material time.

Chargeable deposits

- 2 For the purposes of the principal section and this Schedule a deposit is any sum of money paid to a person carrying on a banking business (“a deposit-taker”) on terms—
- (a) under which it will be repaid either on demand or at a time or in circumstances agreed by or on behalf of the person who paid the sum and the deposit-taker; and
 - (b) which are not, within the meaning of subsection (6) of section 1 of the ^{M57}Banking Act 1979, referable to the provision of property or services or to the giving of security.

Marginal Citations

M57 1979 c. 37.

- 3 (1) Subject to the following provisions of this paragraph, a deposit is a chargeable deposit at a material time if it is then held on terms under which it does not carry interest or a premium.
- (2) The following are not chargeable deposits—
- (a) any deposit not denominated in sterling;
 - (b) any deposit paid to the deposit-taker by a company if at the material time the deposit-taker is a subsidiary of that company, or that company is a subsidiary of the deposit-taker, or both are subsidiaries of another company;
 - (c) where the deposit-taker is resident in the United Kingdom for the purposes of income or corporation tax, any deposit which at the material time is held at a branch of his situated outside the United Kingdom;
 - (d) where the deposit-taker is not so resident, any deposit which at that time is held otherwise than at a branch of his situated in the United Kingdom.
- (3) In sub-paragraph (1) above the reference to interest or a premium shall not be construed as including any allowance made by the deposit-taker in calculating whether any, and if so what, bank or other charges are to be made by him to the person making the deposit.
- (4) In sub-paragraph (2)(b) above “subsidiary” shall be construed in accordance with section 154 of the ^{M58}Companies Act 1948 or section 148 of the ^{M59}Companies Act (Northern Ireland) 1960.

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- (5) For the purposes of sub-paragraph (2)(c) and (d) above a deposit is held at a branch of a deposit-taker if it is recorded in his books as a liability of that branch.

Marginal Citations

M58 1948 c. 38.

M59 1960 c. 22 (N.I.)

- 4 (1) Where any amount of the chargeable deposits held by a deposit-taker at a material time consists of the credit balance or balances on one or more accounts which the deposit-taker treats as reducing or extinguishing the amount on which he is entitled to interest in respect of the debit balance or balances on one or more other accounts held with him at that time, that amount of chargeable deposits shall be treated as equal to its excess, if any, over that other amount.
- (2) This paragraph applies only if the other account or accounts are denominated in sterling.
- 5 (1) The amount of chargeable deposits held by a deposit-taker at any material time shall be treated as—
- (a) reduced by an amount equal to 60 per cent. of any sum which has been credited in his books to an account held with him (whether or not an account the balance on which constitutes a chargeable deposit) by reference to a cheque or other authority which is then in course of collection by him; and
- (b) increased by an amount equal to 60 per cent. of any sum which has been debited in his books to such an account by reference to a standing order or other authority which is then in course of transmission by him.
- (2) In this paragraph “sum” means a sum denominated in sterling.
- 6 Where a person was carrying on a banking business at any time in the last quarter of 1980 but was not carrying on such a business on 10th March 1981, then, if his business was, after the first of the material times and before that date, transferred to another person who was carrying on such a business on that date, the principal section and this Schedule shall have effect as if any chargeable deposits held by the first-mentioned person at any material time had then been held by the other person.

PART II U.K.

MANAGEMENT AND COLLECTION

Management

- 7 The tax shall be under care and management of the Board.

Notice of liability

- 8 (1) Every person who is chargeable with the tax shall give notice to the Board that he is so chargeable.
- (2) The notice shall be given not later than 1st September 1981.

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- (3) If any person fails to give the notice which he is required to give under this paragraph he shall be liable to a penalty not exceeding £1,000.
- (4) Any application under paragraph 1(2) above shall be included in the notice given under this section.

Returns

- 9 (1) Every person who is chargeable with the tax shall on or before 1st October 1981 deliver to the Board a return complying with the following provisions of this paragraph; and the Board may by notice in writing require any person who—
 - (a) has not given a notice under paragraph 8 above; but
 - (b) in the opinion of the Board is or may be chargeable with the tax,
 to deliver such a return to the Board within such time (not being less than thirty days) as may be specified in the notice.
- (2) Subject to sub-paragraph (3) below, a return delivered under this paragraph by any person shall contain—
 - (a) a statement, in relation to each material time, of the chargeable deposits held by him and of—
 - (i) any deposits excluded from the chargeable deposits by virtue of paragraph 3(2)(b), (c) or (d) above;
 - (ii) any adjustment of the amount of the chargeable deposits made by virtue of paragraph 4 or 5 above;
 - (b) a computation of the amount by reference to which he is chargeable with the tax, of the total tax chargeable by reference to that amount and of the respective amounts of the tax due and payable by him on or before each of the dates mentioned in paragraph 11(1) below; and
 - (c) such particulars of the aggregate amounts of the different kinds of deposit held by him in his banking business at each material time as the Board may require for the purposes of the tax.
- (3) In sub-paragraph (2)(c) above the reference to a person's banking business is—
 - (a) in the case of a person who is not resident in the United Kingdom for the purposes of income tax or corporation tax, to so much of his banking business as is carried on by his branch or branches situated in the United Kingdom;
 - (b) in the case of a person who is so resident, to his banking business exclusive of so much of it as is carried on by any branch of his which is situated outside the United Kingdom.
- (4) A return under this paragraph shall be in such form as the Board may prescribe and shall include a declaration that it is correct and complete.
- 10 (1) If a person fails to deliver a return within the time within which he is required to deliver it under paragraph 9 above he shall be liable, subject to sub-paragraph (3) below—
 - (a) to a penalty not exceeding, except in the case mentioned in sub-paragraph (2) below, £500; and
 - (b) if the failure continues after it has been declared by the court or the Special Commissioners before whom proceedings for the penalty have been commenced, to a further penalty not exceeding £100 for each day on which the failure so continues.

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- (2) If the failure continues after the end of six months from the time by which the return ought to have been delivered, the penalty under sub-paragraph (1)(a) above shall be an amount not exceeding the aggregate of £500 and the total amount of the tax with which the person in question is chargeable.
- (3) Except in the case mentioned in sub-paragraph (2) above, a person shall not be liable to any penalty incurred under this paragraph for failure to deliver a return if the failure is remedied before proceedings for the recovery of the penalty are commenced.

Payment of tax

- 11 (1) The tax chargeable in the case of any person shall be due and payable—
 - (a) as to one half, on or before 1st October 1981;
 - (b) as to one quarter, on or before 1st December 1981; and
 - (c) as to the remainder, on or before 1st February 1982,and shall be so due and payable whether or not an assessment to the tax has been made by the date in question.
- (2) Certificates of tax deposit issued by the Treasury under section 12 of the ^{M60}National Loans Act 1968 on terms published on or before 14th May 1979 may be used for paying the tax; and for that purpose those terms shall have effect with the necessary modifications and as if the tax in or towards the payment of which a certificate is used were due as provided in sub-paragraph (1) above.

Marginal Citations

M60 1968 c. 13.

Assessments

- 12 (1) Any tax with which a person is chargeable may be assessed on him whether or not it has been paid (in whole or in part) when the assessment is made.
- (2) The making of an assessment in respect of any tax shall not affect the date when it is due and payable.
- (3) Where a person has under paragraph 9 above delivered to the Board a return and the Board are satisfied that the information given in it with respect to his chargeable deposits is correct and complete, the Board shall make an assessment in accordance with the return.
- (4) Where the Board are not so satisfied in relation to a return, or a person fails to deliver to the Board a return as required under paragraph 9 above, any assessment made by the Board shall be made to the best of their judgment.
- (5) An assessment may be made at any time not later than 30th September 1987 except that where any form of fraud or wilful default or any neglect has been committed by or on behalf of any person in connection with or in relation to the tax, assessments on that person may, for the purpose of making good to the Crown any loss of tax attributable to the fraud, wilful default or neglect, be made at any time.
- (6) An assessment which by virtue of subsection (5) above is made after 30th September 1987 shall require the leave of a Special Commissioner given on being satisfied by an

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inspector or other officer of the Board that there are reasonable grounds for believing that tax has or may have been lost to the Crown owing to the fraud, wilful default or neglect of any person; and the Special Commissioner giving leave to make such an assessment shall take no part in the proceedings, and shall not be present, when any appeal against the assessment is heard or determined.

- (7) A person who is not resident in the United Kingdom may be assessed and charged with the tax in the name of any branch or agent in the United Kingdom.
 - (8) Notice of any assessment shall be served on the person assessed and shall state the date on which it is issued and the time within which any appeal against the assessment may be made.
 - (9) After the notice of assessment has been served on the person assessed, the assessment shall not be altered except in accordance with the following provisions of this Schedule.
- 13 (1) Where it appears to the Board that the amount of tax charged by an assessment should have been larger they may make a further assessment; and where it appears to them that the amount charged by an assessment should have been smaller they may amend the assessment accordingly.
- (2) Paragraph 12(8) and (9) above shall apply in relation to any assessment or amendment under this paragraph.

Right of appeal

- 14 (1) An Appeal may be brought against an assessment to the tax by a notice of appeal in writing given to the Board within thirty days after the date of the notice of assessment.
- (2) The appeal shall be to the Special Commissioners.
- (3) The notice of appeal against any assessment shall specify the grounds of appeal, but on the hearing of the appeal the Special Commissioners may allow the appellant to put forward any ground not specified in the notice and take it into consideration if satisfied that the omission was not wilful or unreasonable.
- (4) Subject to section 55 of the ^{M61}Taxes Management Act 1970 as applied by paragraph 18 below, an appeal against an assessment shall not affect the date when any tax is due.

Marginal Citations

M61 1970 c. 9.

Interest

- 15 (1) Any tax with which a person is chargeable and which is not paid by the time by which paragraph 11(1) above requires it to be paid shall carry interest from that time until payment.
- (2) Sub-paragraph (1) above applies to any such tax as is there mentioned whether or not payment of it is postponed under section 55 of the Taxes Management Act 1970 as applied by paragraph 18 below.

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- (3) Any amount of tax which becomes repayable shall carry interest—
 - (a) in the case of tax in respect of which interest has been paid under sub-paragraph (1) above, from the time by which paragraph 11(1) above requires the tax to be paid until it is repaid;
 - (b) in any other case, from the time when paragraph 11(1) above requires the tax to be paid (or, if later, the time when it is paid) until it is repaid.
- (4) The rate of interest under this paragraph for any period shall be that applying for that period for the purposes of sections 86 and 87 of the said Act of 1970.
- (5) Interest payable under sub-paragraph (1) above shall be paid without any deduction of income tax and shall not be allowed as a deduction in computing income, profits or losses for any tax purposes; and interest paid under sub-paragraph (3) above shall be disregarded in computing income, profits or losses for any such purpose.

Information

- 16 (1) Where the Board are not satisfied that the information given in a return delivered by any person under paragraph 9 above is correct and complete or a person who the Board believe to be chargeable with the tax has failed to deliver to the Board a return under that paragraph, the Board may by notice in writing require that person—
 - (a) to deliver to the Board, within such time as is specified in the notice (not being less than thirty days), copies of any such accounts, books, records or other documents whatsoever in his possession or power as may be specified or described in the notice;
 - (b) to make available, within such time as aforesaid, for inspection by an officer authorised by the Board all such accounts, books, records or other documents whatsoever in that person's possession or power as may be so specified or described.being, in either case, accounts, books, records or documents which the Board may reasonably require to inspect for the purpose of determining whether a person is chargeable to the tax or the amount of the tax with which a person is chargeable.
- (2) An authorised officer of the Board may take copies of, or make extracts from, any accounts, books, records or other documents made available for inspection under this paragraph.
- (3) Nothing in this paragraph shall require a person to deliver or make available for inspection any particulars of an account held by any person except the balance at any material time.

Incorrect returns, accounts, etc.

- 17 (1) Where a person fraudulently or negligently—
 - (a) delivers an incorrect return under paragraph 9 above; or
 - (b) submits under paragraph 16 above any document that is incorrect,he shall be liable to a penalty not exceeding the aggregate of—
 - (i) £50, and
 - (ii) the amount or, in the case of fraud, twice the amount, of the difference between the tax payable and the tax that would have been payable if the return or document had been correct.

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- (2) Where a return or other document was made or submitted by a person neither fraudulently nor negligently and it comes to his notice that it was incorrect, then, unless the error is remedied without unreasonable delay, the return or document shall be treated for the purpose of this paragraph as having been negligently made or submitted.
- (3) For the purposes of this paragraph any return or document made or submitted on behalf of a person shall be deemed to have been made or submitted by him unless he proves that it was submitted without his consent or connivance.
- (4) In this paragraph “document” includes accounts, books and records.

Application of Taxes Management Act

- 18 (1) The provisions of the ^{M62}Taxes Management Act 1970 specified in the first column of the following Table shall apply in relation to the tax as they apply in relation to a tax within the meaning of that Act subject to any modifications specified in the second column of that Table and with the substitution—
- (a) for references to Part IX of that Act, to the Taxes Act or the Income Tax Acts of references to section 134 of this Act and this Schedule;
- (b) for references to profits or gains, profits, income or chargeable gains of references to amounts chargeable to the tax.

TABLE

<i>Provision applied</i>	<i>Modifications</i>
Section 1(3)	
4	
30	Omit the words after “accordingly”.
32	In subsection (1) omit “and for the same chargeable period”.
33(1)	For “six years after the end of the year of assessment (or, if the assessment is to corporation tax, the end of the accounting period) in which the assessment was made” substitute “ 30th September 1987 ”.
(2)	
(3)	Omit the words after “profits of the claimant”.
(4)	
(5)	For the words after “profits” substitute “ means amounts chargeable to the tax ”.
42(1)	
(2)	

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- (3) Omit the words after “that decision”.
- (4) Substitute “ (4) An appeal under this section shall lie to the Special Commissioners. ”
- (5) Omit the words after “such form as the Board may determine”.
- (7)
- (8)
- (9)
- 43(1) For the words “within six years from the end of the chargeable period to which it relates” substitute “ before 30th September 1987 ”.
- 48
- 49(1)
- 50 Omit the proviso to subsection (5).
- 51
- 52
- 53
- 54
- 55(1) Substitute “ (1) This section applies to an appeal to the Special Commissioners against an assessment under paragraph 12 of Schedule 17 to the Finance Act 1981 ”.
- (2)
- (3)
- (4)
- (5)
- (6) For paragraphs (a) and (b) substitute:
“ (a) in the case of a determination made on an application under subsection (3) above, any tax the payment of which is not postponed shall be due and payable forthwith (or, if later, on the date on which it is due and payable under paragraph 11(1) of Schedule 17 to the Finance Act 1981); and ”
“ (b) in the case of a determination made on an application under subsection (4) above, any tax the

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- payment of which ceases to be postponed shall be due and payable forthwith (or, if later, on the date referred to in paragraph (a) above) or any tax overpaid shall be repaid, as the case may require. ”
- (7)
- (8)
- (9) For the words from “as if it were tax” to “pending” there shall be substituted the words “ forthwith or, if later, on the date referred to in subsection (6)(a) above ”.
- (10) Omit the words from the beginning to “was issued; and”.
- 56
- 58(2)
- (3) . . . ^{F82} for paragraphs (a) and (b) substitute “ proceedings in Northern Ireland means proceedings in respect of a person whose principal place of business or head office is in Northern Ireland ”.
- 60 In subsection (1) omit the words after “charged therewith”.
- 66
- 67
- 68
- 69 In paragraph (a) substitute a reference to sections 66 to 68 as applied by this paragraph.
- 70(1)
- (2) For the reference to section 86 or 87 substitute a reference to paragraph 15 of this Schedule.
- 71
- 74
- 75
- 83
- 98 Omit the Table and for references to any of the provisions specified in it substitute a reference to section 51 as applied by this Schedule and to paragraph 16 of this Schedule.

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99	
100(1)	Omit the words before “no proceedings”.
(2)	
(3)	Omit the reference to the General Commissioners.
(5) to (9)	
101	For the words after “sufficient evidence” substitute the words “ of the chargeable deposits stated therein and of the excess over £15 million of the average of such deposits held in the base period ”.
102	
103(1)	
(2)	
(3)	Omit the words from “for any chargeable period” to “end of that chargeable period”.
104	
105	
107	
108	In subsection (2) for the words from the beginning to “Acts” substitute “ The tax chargeable under section 134 of the Finance Act 1981 ”.
112	
113(1A)	
(1B)	
(3)	
114	
115(1) to (3)	
118(1) to (3)	

- (2) Any expression to which a meaning is given by the principal section or this Schedule and which is used in a provision of the Taxes Management Act 1970 as applied by this paragraph shall in that provision, as so applied, have the same meaning as in that section and this Schedule.

Textual Amendments

F82 Words repealed by Finance Act 1988 (c. 39), s. 148, Sch. 14 pt. IX

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Marginal Citations

M62 1970 c. 9.

^{F83F83}SCHEDULE 18 **U.K.**

Textual Amendments

F83 Sch. 18 repealed by Finance Act 1987 (c. 16, SIF 99:6), s. 72(7), **Sch. 16 Pt. XI**

F83

^{X23}SCHEDULE 19 **U.K.**

Section 139.

REPEALS

Editorial Information

X23 The text of Sch. 19 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.

PROSPECTIVE

PART I **U.K.**

IMPORT PROCEDURES

Chapter	Short title	Extent of repeal
1979 c. 2.	The Customs and Excise Management Act 1979.	<p>In section 1(1) the definition of “perfect entry”.</p> <p>Section 37(5)(a).</p> <p>In section 43, in subsection (2)(b) the words “or, in the case of goods entered by bill of sight, perfect entry” and subsection (4).</p> <p>Section 119(2).</p> <p>In section 128(1) and (2) the words “customs or”.</p>

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These repeals have effect from such day as may be appointed by the Commissioners of Customs and Excise by order made by statutory instrument and different days may be appointed for different repeals.

PART II U.K.

EXPORT PROCEDURES

Chapter	Short title	Extent of repeal
1979 c. 2.	The Customs and Excise Management Act 1979.	Section 60(5) to (7). Section 76.
1979 c. 58.	The Isle of Man Act 1979.	In Schedule 1, paragraphs 9, 10 and 11.

These repeals do not affect goods exported before 1st October 1981.

PART III U.K.

CUSTOMS AND EXCISE: MISCELLANEOUS

Chapter	Short title	Extent of repeal
1955 c. 16	The Food and Drugs Act 1955.	In section 3(4) the words from “but” onwards.
1956 c. 30.	The Food and Drugs (Scotland) Act 1956.	In section 3(4) the words from “but” onwards.
1958 c. 27 (N.I.).	The Food and Drugs (Northern Ireland) Act 1958.	In section 3(4) the words from “but” onwards.
1969 c. 16.	The Customs Duties (Dumping and Subsidies) Act 1969.	Section 16.
1972 c. 25.	The Betting and Gaming Duties Act 1972.	In section 6(3)(b)(ii) the words from “(disregarding” onwards. In Schedule 2, in paragraph 14, the words “the contravention, or as the case may be”. In Schedule 4, in paragraph 4(1) the words following the word “force” and in paragraph 17 the words “the contravention, or as the case may be”.

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1974 c. 30.	The Finance Act 1974.	Section 2(1).
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 5(4). Section 6(4).
1976 c. 66.	The Licensing (Scotland) Act 1976.	Section 94.
1979 c. 2.	The Customs and Excise Management Act 1979.	In section 139(1), in the definition of “alcoholic liquor” the words from “so” onwards and the definition of “wholesaler’s excise licence”. In section 94, in subsection (1), the words “Subject to subsection (2) below”, and subsection (2). Section 95(2)(a). Sections 105 and 106.
1979 c. 4.	The Alcoholic Liquor Duties Act 1979.	In section 117(6), the words from “subject” to “spirits”. In section 4(1), paragraph (b) of the definition of “retailer” and the definitions of “spirits advice note” and “spirits consignment note”. In section 21(2), paragraph (b). Sections 27 to 30. In section 32(1) the words from “and” onwards. Sections 65 and 66. Section 68. Section 70. Section 76. In section 77(4) the words “or 76”. Sections 84 to 89. In Schedule 3, paragraphs 1, 2, 5(2), 8(2), (3), (5) and 9(b).
1979 c. 5.	The Hydrocarbon Oil Duties Act 1979.	In section 17, in subsection (1) the words “unless that amount is

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		less than £2.50” and subsection (4).
		In section 18(1) the words “in such manner as the Commissioners may direct”, the words from “at any time” to “allow)” and the words “unless that amount is less than £5”.
		In section 19, in subsection (3) the words from “at any time” to “allow,” and subsections (4) and (5).
		In Schedule 4, in the heading to paragraph 1, the words “under sections 9 and 14”.
1979 c. 7.	The Tobacco Products Duty Act 1979.	In section 2(1) the words “subject to section 3 below”. Section 3. In section 4 the words “and in section 3(1) above”. In section 6(5), paragraph (b) together with the word “and” immediately preceding it.
1980 c. 48.	The Finance Act 1980.	Sections 1 and 2. Section 4(2) and (3). Section 5(2) and (3). Section 8. Schedules 1 to 4.

-
- 1 The repeals in the Food and Drugs Act 1955, the Food and Drugs (Scotland) Act 1956, the Food and Drugs (Northern Ireland) Act 1958, the Licensing (Scotland) Act 1976 and Schedule 3 to the Alcoholic Liquor Duties Act 1979 and the repeals of sections 65(1) to (7), 66, 70, 84, 86(1)(a) and (2) and 89 of the said Act of 1979 have effect from 1st July 1982.
 - 2 The repeal in section 6 of the Betting and Gaming Duties Act 1972 has effect from 1st July 1981.
 - 3 The repeals in the Finance (No. 2) Act 1975 and the repeals of sections 4(2), (3), 5(2) and (3) of and Schedules 3 and 4 to the Finance Act 1980 do not affect licences taken out before 11th March 1981.
 - 4 The repeals in the Hydrocarbon Oil Duties Act 1979 have effect in relation to oil used on or after 1st January 1982.

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PART IV U.K.

VALUE ADDED TAX

Chapter	Short title	Extent of repeal
1980 c. 48.	The Finance Act 1980.	In section 11, in subsection (1) the figure “(3)”, and subsections (3) and (5). Section 12(3).

PART V U.K.

CAR TAX

Chapter	Short title	Extent of repeal
1972 c. 41.	The Finance Act 1972.	In section 52(3) the words “has three or more wheels”. In Schedule 7, in paragraph 7(a) the words “and was not registered before it was exported” and in paragraph 7(b) the words “and is not registered”.

PART VI U.K.

INCOME TAX AND CORPORATION TAX: GENERAL

Chapter	Short title	Extent of repeal
1970 c. 10.	The Income and Corporation Taxes Act 1970.	In section 8(2)(b)(i) the word “and”. In section 18, in subsection (2) paragraph (c) together with the word “and” preceding it and in subsection (6) the definition of “tax-free disability payment”. Sections 95 to 97. In section 188(6) the words “payment of compensation for loss of office”. In section 269(1), paragraph (c) together with

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		the word “and” immediately preceding it.
		Section 451(4).
		In Schedule 8, paragraphs 3 to 5, in paragraph 6 the words in brackets, paragraphs 8 and 9, in paragraph 10 the proviso, in paragraph 11 the words from “and as if” onwards and paragraph 13.
1971 c. 68.	The Finance Act 1971.	In Schedule 6, paragraph 12.
1973 c. 51.	The Finance Act 1973.	Section 28(6)(a).
1975 c. 7.	The Finance Act 1975.	Section 11.
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 30(3).
		In section 36(5)(d) the words “or family”.
1976 c. 40.	The Finance Act 1976.	Section 68.
1978 c. 42.	The Finance Act 1978.	Section 24.
		In Schedule 6, paragraphs 2, 3, 5 and 6.
1980 c. 48.	The Finance Act 1980.	Section 27.
		Section 119(4).
		In Schedule 13, in paragraph 4 the words “and (3)” and “, of the proviso to section 3(4)”.

- 1 The repeals in section 188 of and Schedule 8 to the ^{M63}Income and Corporation Taxes Act 1970 and the repeal of section 24 of the ^{M64}Finance Act 1978 do not affect any payment which by virtue of section 187(4) of the said Act of 1970 is treated as income received before 6th April 1981 and have effect subject to section 31(7) of this Act.

Marginal Citations

M63 1970 c. 10.

M64 1978 c. 42.

- 2 The repeal in section 269 of the said Act of 1970 has effect in relation to interest paid in any accounting period ending on or after 1st April 1981.
- 3 The repeals in section 36 of the ^{M65}Finance (No. 2) Act 1975 and in the ^{M66}Finance Act 1976 have effect for the year 1982–83 and subsequent years of assessment.

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Marginal Citations

M65 1975 c. 45.

M66 1976 c. 40.

- 4 The repeals in Schedule 6 of the ^{M67}Finance Act 1978 and Schedule 13 of the Finance Act 1980 have effect as provided in section 74(6) of this Act.

Marginal Citations

M67 1978 c. 48.

PART VII U.K.

STOCK RELIEF

Chapter	Short title	Extent of repeal
1975 c. 7.	The Finance Act 1975.	Section 18. Schedule 3.
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 54. Schedule 10.
1976. c. 40.	The Finance Act 1976.	Section 37. Schedule 5.
1978 c. 42.	The Finance Act 1978.	In section 28(5)(b) the words “and of computing relevant income under Schedule 5 to the Finance Act 1976 (stock relief)”. In section 30, in subsection 7(e) the words “and paragraph 6 of Schedule 5 to”.
1979 c. 47.	The Finance (No. 2) Act 1979.	In Schedule 4, paragraph 7. Section 13. Schedule 3.
1980 c. 48.	The Finance Act 1980.	Section 40. Schedule 7.

These repeals do not affect periods of account other than those mentioned in section 35(1) of this Act and have effect subject to Schedule 10 to this Act.

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PART VIII U.K.

CAPITAL GAINS

Chapter	Short title	Extent of repeal
1979 c. 14.	The Capital Gains Tax Act 1979.	Section 17. Section 19(3). In Schedule 4, in paragraphs 1(2) and 3(2), the words “and a claim” to “that Schedule”.
1980 c. 48.	The Finance Act 1980.	In section 37(3), the words from “and where” onwards.
1	The repeal of section 17 of the Capital Gains Tax Act 1979 has effect only in relation to chargeable gains accruing to trustees after 5th April 1981.	
2	the repeals in section 19 of that Act and section 37 of the Finance Act 1980 have effect in relation to acquisitions and disposals on or after 10th March 1981.	

PART IX U.K.

CAPITAL TRANSFER TAX

Chapter	Short title	Extent of repeal
1975 c. 7.	The Finance Act 1975.	Section 30. Section 35. In Schedule 4, paragraph 16(5), (6) and (7). In Schedule 5, paragraph 5. Part I of Schedule 8. In Schedule 10, paragraph 7(2)(b).
1976 c. 40.	The Finance Act 1976.	Section 74. Section 93. Section 97. Sections 115 and 116. In section 117(1), paragraph (a) and in paragraph (b) the word “other” where it first occurs.
1977 c. 36.	The Finance Act 1977.	In Schedule 14, paragraph 6. Section 51.

Status: Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 16 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

1980 c. 48.	The Finance Act 1980.	In Schedule 15, paragraph 8.
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- 1 The repeals of section 30 of, and in Schedules 4 and 5 to, the Finance Act 1975 and of section 97 of, and in Schedule 14 to, the Finance Act 1976 have effect in relation to chargeable transfers made on or after 10th March 1981.
- 2 The repeals of section 35 of, and Part I of Schedule 8 to, the Finance Act 1975 and section 74 of the Finance Act 1976 have effect in relation to transfers of value, distribution payments and capital distributions made on or after 10th March 1981; but they do not affect the operation of Part II of the said Schedule 8.
- 3 The repeal in Schedule 10 to the Finance Act 1975 has effect in relation to transfers of value made on or after 10th March 1981.
- 4 The repeal of section 93 of the Finance Act 1976 does not affect transfers of value made before 6th April 1981.
- 5 The repeals of sections 115 and 116, and in section 117, of the Finance Act 1976 have effect in accordance with section 106 of this Act.
- 6 The repeal of section 51 of the Finance Act 1977 has effect in relation to property transferred into settlement on or after 10th March 1981.

PART X U.K.

PETROLEUM REVENUE TAX

Chapter	Short Title	Extent of repeal
1980 c. 1.	The Petroleum Revenue Tax Act 1980.	In the Schedule, in paragraph 4(2) the words “in relation to the later (or only) chargeable period comprised in a calendar year”.

PART XI U.K.

EXCHANGE CONTROL

Chapter	Short title	Extent of repeal
1971 c. 80.	The Bankings and Financial Dealings Act 1971.	In section 2(6) the definitions of “authorised dealer in foreign currency” and “authorised dealer in gold”.

PART XII U.K.

IRISH LAND ACTS

Chapter	Short title	Extent of repeal
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Status: Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.

Changes to legislation: Finance Act 1981 is up to date with all changes known to be in force on or before 16 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

3 Edw. 7. c. 37.	The Irish Land Act 1903.	In section 33 the words “and the accounts when audited shall be laid before Parliament”.
1968 c. 13.	The National Loans Act 1968.	In section 16(9), paragraph (b) together with the word “and” preceding it.

These repeals have effect from 1st April 1982.

Status:

Point in time view as at 01/02/1991. This version of this Act contains provisions that are not valid for this point in time.

Changes to legislation:

Finance Act 1981 is up to date with all changes known to be in force on or before 16 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.