

## SCHEDULES

### SCHEDULE 1

Section 1(3).

#### WINE: RATES OF DUTY

Description of wine	Rates of duty per hectolitre
Wine of a strength—	£
not exceeding 15 per cent.	113.00
exceeding 15 but not exceeding 18 per cent.	145.90
exceeding 18 but not exceeding 22 per cent.	171.70
exceeding 22 per cent.	171.70 plus £15.19 for every 1 per cent, or part of 1 per cent, in excess of 22 per cent.; each of the above rates of duty being, in the case of sparkling wine, increased by £24.80 per hectolitre.

### SCHEDULE 2

Section 1(4).

#### MADE-WINE: RATES OF DUTY

Description of made-wine	Rates of duty per hectolitre
Made-wine of a strength—	£
not exceeding 10 per cent.	79.30
exceeding 10 but not exceeding 15 per cent.	109.80
exceeding 15 but not exceeding 18 per cent.	135.20
exceeding 18 per cent.	135.20 plus £15.19 for every 1 per cent, or part of 1 per cent, in excess of 18 per cent.; each of the above rates of duty being, in the case of sparkling made-wine, increased by £11.35 per hectolitre.

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*Status: This is the original version (as it was originally enacted).*

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## SCHEDULE 3

Section 4.

## VEHICLES EXCISE DUTY

## PART I

PROVISIONS SUBSTITUTED IN PART II OF SCHEDULES 1 TO 5 TO THE VEHICLES  
(EXCISE) ACT 1971 AND THE VEHICLES (EXCISE) ACT (NORTHERN IRELAND) 1972

- 1 The following are the provisions substituted in the Act of 1971 and the Act of 1972 for Part II of Schedule 1—

“Description of vehicle	Rate of duty
	£
1. Bicycles and tricycles of which the cylinder capacity of the engine does not exceed 150 cubic centimetres	8.50
2. Bicycles of which the cylinder capacity of the engine exceeds 150 cubic centimetres but does not exceed 250 cubic centimetres; tricycles (other than those in the foregoing paragraph) and vehicles (other than mowing machines) with more than three wheels, being tricycles and vehicles neither constructed nor adapted for use nor used for the carriage of a driver or passenger.	17.00
3. Bicycles and tricycles not in the foregoing paragraphs	34.00”

- 2 The following are the provisions substituted in the Act of 1971 and the Act of 1972 for Part II of Schedule 2—

“Description of vehicle	Rate of duty
	£
Hackney carriages.	42.00 with an additional 85p for each person above 20 (excluding the driver) for which the vehicle has seating capacity.”

- 3 The following are the provisions substituted in the Act of 1971 for Part II of Schedule 3—

*Status: This is the original version (as it was originally enacted).*

1.	“Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each ton or part of a ton in excess of the weight in column 2
			£	£
1. Agricultural machines; digging machines; mobile cranes; works trucks; mowing machines; fishermen's tractors.	—	—	14.00	—
2. Haulage vehicles, being showmen's vehicles.	—	7 1/4 tons	137.00	—
	7 1/4 tons	8 tons	164.00	—
	8 tons	10 tons	193.00	—
	10 tons	—	193.00	30 00
3. Haulage vehicles, not being showmen's vehicles.	—	2 tons	163.00	—
	2 tons	4 tons	293.00	—
	4 tons	6 tons	424.00	—
	6 tons	7 1/4 tons	553.00	—
	7 1/4 tons	8 tons	676.00	—
	8 tons	10 tons	676.00	115.00
	10 tons	—	906.00	130.00”

4 The following are the provisions substituted in the Act of 1972 for Part II of Schedule 3—

*Status: This is the original version (as it was originally enacted).*

1.	“Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each ton or part of a ton in excess of the weight in column 2
			£	£
1. Agricultural machines; digging machines; mobile cranes; works trucks; mowing machines; fishermen's tractors.	—	—	14.00	—
2. Haulage vehicles, being showmen's vehicles.	—	7 1/4 tons	137.00	—
	7 1/4 tons	8 tons	164.00	—
	8 tons	10 tons	193.00	—
	10 tons	—	193.00	30-00
3. Haulage vehicles, not being showmen's vehicles.	—	2 tons	147.00	—
	2 tons	4 tons	262.00	—
	4 tons	6 tons	374.00	—
	6 tons	7 1/4 tons	489.00	—
	7 1/4 tons	8 tons	603-00	—
	8 tons	—	603-00	130-00”

5 The following are the provisions substituted in the Act of 1971 and the Act of 1972 for Part II of Schedule 4—

“TABLE A

RATES OF DUTY ON RIGID GOODS VEHICLES  
EXCEEDING 12 TONNES PLATED GROSS WEIGHT

GENERAL RATES

*Status: This is the original version (as it was originally enacted).*

Plated gross weight of vehicle		Rate of duty		
1	2	3	4	5
Exceeding	Not exceeding	Two axle vehicle	Three axle vehicle	Four or more axle vehicle
tonnes	tonnes	£	£	£
12	13	410	320	320
13	14	500	320	320
14	15	610	320	320
15	16	670	320	320
16	17	780	320	320
17	18	—	380	320
18	19	—	440	320
19	20	—	500	320
20	21	—	580	320
21	22	—	660	390
22	23	—	740	470
23	24	—	920	560
24	25	—	1,150	660
25	26	—	—	770
26	27	—	—	880
27	28	—	—	1,010
28	29	—	—	1,140
29	30	—	—	1,500
30	30.49	—	—	1,990

TABLE A(1)

RATES OF DUTY ON RIGID GOODS VEHICLES  
 EXCEEDING 12 TONNES PLATED GROSS WEIGHT

RATES FOR FARMERS' GOODS VEHICLES

Plated gross weight of vehicle		Rate of duty		
1	2	3	4	5
Exceeding	Not exceeding	Two axle vehicle	Three axle vehicle	Four or more axle vehicle
tonnes	tonnes	£	£	£
12	13	135	120	120
13	14	140	120	120

*Status: This is the original version (as it was originally enacted).*

Plated gross weight of vehicle			Rate of duty	
1	2	3	4	5
Exceeding	Not exceeding	Two axle vehicle	Three axle vehicle	Four or more axle vehicle
14	15	145	120	120
15	16	165	125	120
16	17	180	130	120
17	18	—	135	120
18	19	—	140	120
19	20	—	145	125
20	21	—	150	130
21	22	—	155	135
22	23	—	160	140
23	24	—	180	145
24	25	—	210	150
25	26	—	—	160
26	27	—	—	180
27	28	—	—	200
28	29	—	—	215
29	30	—	—	275
30	30.49			340

TABLE A(2)

RATES OF DUTY ON RIGID GOODS VEHICLES  
EXCEEDING 12 TONNES PLATED GROSS WEIGHT

RATES FOR SHOWMEN'S GOODS VEHICLES

Plated gross weight of vehicle			Rate of duty	
1	2	3	4	5
Exceeding	Not exceeding	Two axle vehicle	Three axle vehicle	Four or more axle vehicle
tonnes	tonnes	£	£	£
12	13	135	120	120
13	14	140	120	120
14	15	145	120	120
15	16	165	125	120
16	17	180	130	120

*Status: This is the original version (as it was originally enacted).*

Plated gross weight of vehicle			Rate of duty	
1	2	3	4	5
Exceeding	Not exceeding	Two axle vehicle	Three axle vehicle	Four or more axle vehicle
17	18	—	135	120
18	19	—	140	125
19	20	—	150	130
20	21	—	160	140
21	22	—	165	150
22	23	—	175	160
23	24	—	210	165
24	25	—	250	180
25	26	—	—	200
26	27	—	—	220
27	28	—	—	245
28	29	—	—	265
29	30	—	—	340
30	30.49	—	—	430

TABLE B

SUPPLEMENTARY RATES OF DUTY ON RIGID GOODS  
 VEHICLES OVER 12 TONNES USED FOR DRAWING  
 TRAILERS EXCEEDING 4 TONNES PLATED GROSS WEIGHT

GENERAL RATES

Gross weight of trailer		<i>Duty supplement</i>
Exceeding	Not exceeding	
tonnes	tonnes	£
4	8	70
8	10	90
10	12	115
12	14	160
14	—	300

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*Status: This is the original version (as it was originally enacted).*

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TABLE B(1)

SUPPLEMENTARY RATES OF DUTY ON RIGID GOODS  
VEHICLES OVER 12 TONNES USED FOR DRAWING  
TRAILERS EXCEEDING 4 TONNES PLATED GROSS WEIGHT

## RATES FOR FARMERS' GOODS VEHICLES

Gross weight of trailer		<i>Duty supplement</i>
Exceeding	Not exceeding	
tonnes	tonnes	£
4	8	70
8	10	90
10	12	115
12	14	160
14	—	300

TABLE B(2)

SUPPLEMENTARY RATES OF DUTY ON RIGID GOODS  
VEHICLES OVER 12 TONNES USED FOR DRAWING  
TRAILERS EXCEEDING 4 TONNES PLATED GROSS WEIGHT

## RATES FOR SHOWMEN'S GOODS VEHICLES

Gross weight of trailer		<i>Duty supplement</i>
Exceeding	Not exceeding	
—	—	£
		70

TABLE C

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES  
PLATED TRAIN WEIGHT AND HAVING ONLY 2 AXLES

## GENERAL RATES



*Status: This is the original version (as it was originally enacted).*

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi- trailers with not less than two axles	For a tractor unit to be used only with semi- trailers with not less than three axles
tonnes	tonnes	£	£	£
12	13	420	420	420
13	14	470	420	420
14	15	510	420	420
15	16	560	420	420
16	17	610	420	420
17	18	660	420	420
18	19	710	420	420
19	20	770	420	420
20	21	830	470	420
21	22	890	520	420
22	23	950	590	420
23	24	1,020	660	420
24	25	1,090	740	420
25	26	1,090	830	500
26	27	1,090	940	590
27	28	1,090	1,040	680
28	29	1,150	1,150	780
29	30	1,390	1,390	890
30	31	1,600	1,600	1,000
31	32	1,820	1,820	1,110
32	32.52	2,290	2,290	1,600
32.52	33	2,290	2,290	1,840
33	34	2,290	2,290	2,140
34	35	2,450	2,450	2,450
35	36	2,610	2,610	2,610
36	37	2,730	2,730	2,730

*Status: This is the original version (as it was originally enacted).*

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi- trailers with not less than two axles	For a tractor unit to be used only with semi- trailers with not less than three axles
37	38	2,940	2,940	2,940

TABLE C(1)

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES  
PLATED TRAIN WEIGHT AND HAVING ONLY 2 AXLES

RATES FOR FARMERS' GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi- trailers with not less than two axles	For a tractor unit to be used only with semi- trailers with not less than three axles
tonnes	tonnes	£	£	£
12	13	135	135	135
13	14	140	135	135
14	15	145	135	135
15	16	150	135	135
16	17	155	135	135
17	18	160	135	135
18	19	160	135	135
19	20	165	135	135
20	21	170	135	135
21	22	175	140	135
22	23	180	145	135
23	24	190	150	135
24	25	200	155	140

*Status: This is the original version (as it was originally enacted).*

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi- trailers with not less than two axles	For a tractor unit to be used only with semi- trailers with not less than three axles
25	26	200	160	145
26	27	200	170	150
27	28	200	180	165
28	29	200	195	175
29	30	235	235	195
30	31	265	265	210
31	32	300	300	230
32	32.52	370	370	305
32.52	33	610	610	610
33	34	710	710	710
34	35	810	810	810
35	36	860	860	860
36	37	900	900	900
37	38	970	970	970

TABLE C(2)

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES  
 PLATED TRAIN WEIGHT AND HAVING ONLY 2 AXLES

RATES FOR SHOWMEN'S GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi- trailers with not less than two axles	For a tractor unit to be used only with semi- trailers with not less than three axles
tonnes	tonnes	£	£	£

*Status: This is the original version (as it was originally enacted).*

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi- trailers with not less than two axles	For a tractor unit to be used only with semi- trailers with not less than three axles
12	13	135	135	135
13	14	140	135	135
14	15	145	135	135
15	16	150	135	135
16	17	155	135	135
17	18	160	135	135
18	19	160	135	135
19	20	170	145	145
20	21	180	150	150
21	22	195	155	155
22	23	210	160	160
23	24	220	170	165
24	25	235	180	165
25	26	235	195	475
26	27	235	215	185
27	28	235	230	205
28	29	245	245	220
29	30	295	295	240
30	31	335	335	260
31	32	375	375	285
32	32.52	465	465	385
32.52	33	750	750	750
33	34	880	880	880
34	35	1,000	1,000	1,000
35	36	1,070	1,070	1,070
36	37	1,120	1,120	1,120
37	38	1,200	1,200	1,200

*Status: This is the original version (as it was originally enacted).*

TABLE D

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES  
 PLATED TRAIN WEIGHT AND HAVING 3 OR MORE AXLES

GENERAL RATES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi- trailers with not less than two axles	For a tractor unit to be used only with semi- trailers with not less than three axles
tonnes	tonnes	£	£	£
12	20	420	420	420
20	21	470	420	420
21	22	520	420	420
22	23	590	420	420
23	24	660	420	420
24	25	740	420	420
25	26	830	420	420
26	27	940	420	420
27	28	1,040	420	420
28	29	1,150	490	420
29	30	1,390	550	420
30	31	1,600	610	420
31	32	1,820	680	420
32	32.52	2,290	920	420
32.52	33	2,290	1,080	420
33	34	2,290	1,350	520
34	35	2,290	1,630	670
35	36	2,290	1,930	790
36	37	2,290	2,240	980
37	38	2,590	2,590	1,180

*Status: This is the original version (as it was originally enacted).*

TABLE D(1)

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES  
PLATED TRAIN WEIGHT AND HAVING 3 OR MORE AXLES

## RATES FOR FARMERS' GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi- trailers with not less than two axles	For a tractor unit to be used only with semi- trailers with not less than three axles
tonnes	tonnes	£	£	£
12	20	135	135	135
20	21	135	135	135
21	22	140	135	135
22	23	145	135	135
23	24	150	135	135
24	25	155	135	135
25	26	160	140	135
26	27	170	150	135
27	28	180	160	145
28	29	195	170	155
29	30	235	190	165
30	31	265	205	185
31	32	300	225	205
32	32.52	370	300	220
32.52	33	370	355	220
33	34	445	445	270
34	35	535	535	350
35	36	635	635	410
36	37	740	740	510
37	38	855	855	615

*Status: This is the original version (as it was originally enacted).*

TAKE D(2)

RATES OF DUTY ON TRACTOR UNITS EXCEEDING 12 TONNES  
 PLATED TRAIN WEIGHT AND HAVING 3 OR MORE AXLES

RATES FOR SHOWMEN'S GOODS VEHICLES

Plated train weight of tractor unit		Rate of duty		
1.	2.	3.	4.	5.
Exceeding	Not exceeding	For a tractor unit to be used with semi-trailers with any number of axles	For a tractor unit to be used only with semi- trailers with not less than two axles	For a tractor unit to be used only with semi- trailers with not less than three axles
tonnes	tonnes	£	£	£
12	18	135	135	135
18	19	135	135	135
19	20	140	140	135
20	21	145	145	135
21	22	155	150	135
22	23	160	155	135
23	24	170	160	135
24	25	180	160	145
25	26	195	170	155
26	27	210	180	160
27	28	230	200	170
28	29	245	215	190
29	30	295	235	205
30	31	335	255	230
31	32	375	280	250
32	32.52	465	375	275
32.52	33	465	440	275
33	34	550	550	335
34	35	665	665	435
35	36	790	790	515
36	37	915	915	635
37	38	1,060	1,060	765"

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*Status: This is the original version (as it was originally enacted).*

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- 6 The following are the provisions substituted in the Act of 1971 for Part II of Schedule 5—

“Description of vehicle	Rate of duty
	£
1. Vehicles not exceeding seven horse-power, if registered under the Roads Act 1920 for the first time before 1st January 1947.	60.00
2. Vehicles not included above.	85.00”

- 7 The following are the provisions substituted in the Act of 1972 for Part H of Schedule 5—

“Description of vehicle	Rate of duty
	£
1. Vehicles first registered under the Roads Act 1920 before 1st January 1947, or which, if its first registration for taxation purposes had been effected in Northern Ireland would have been so first registered as aforesaid under the Act as in force in Northern Ireland:	
(i) not exceeding 6 horse-power.	51.00
(ii) exceeding 6 horse-power but not exceeding 9 horsepower—for each unit or part of a unit of horse-power	8.50
2. Other vehicles.	85.00”

## PART II

### AMENDMENT OF PART I OF SCHEDULE 4 TO THE VEHICLES (EXCISE) ACT 1971 AND THE VEHICLES (EXCISE) ACT (NORTHERN IRELAND) 1972

#### *Amendments made in both Acts*

- 8 (1) Part I of Schedule 4 to the Act of 1971 and the Act of 1972 (annual rates of duty on goods vehicles) shall be amended as follows.
- (2) In paragraph 1(1), for "£170" there shall be substituted " £150 " .
- (3) In paragraph 2, for " £360 " there shall be substituted " £320 " .
- (4) In paragraph 5(3)(b), for "32 tonnes" and "32.52 tonnes" there shall be substituted, respectively, " 37 tonnes " and "38 tonnes " .
- (5) In paragraph 6—



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*Status: This is the original version (as it was originally enacted).*

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- (a) in sub-paragraph (1), for " £60 " there shall be substituted " £63 " ;
- (b) in sub-paragraphs (2)(a) and (4), for "£100" there shall, in each case, be substituted " £90 " ; and
- (c) in sub-paragraph (2)(b), for " £130 " there shall be substituted " £115 " .

(6) In paragraph 7, for " £80 " there shall be substituted " £85 " .

(7) After paragraph 14 there shall be inserted the following paragraphs—

*“Tractor units having two axles used with semi-trailers having two axles when duty paid by reference to use with semi-trailers having not less than three axles*

14A (1) This paragraph applies in any case where—

- (a) a vehicle licence has been taken out for a tractor unit having two axles which is to be used only with semitrailers with not less than three axles ; and
- (b) the rate of duty paid on taking out the licence is equal to or exceeds the rate of duty applicable to a tractor unit having two axles—
  - (i) which has a plated train weight equal to the maximum laden weight at which a tractor unit having two axles may lawfully be used in Great Britain with a semi-trailer with two axles ; and
  - (ii) which is to be used with semi-trailers with not less than two axles.

(2) If, in a case to which this paragraph applies, the tractor unit is used with a semi-trailer with two axles and, when so used, the laden weight of the tractor unit and semi-trailer taken together does not exceed the maximum laden weight mentioned in sub-paragraph (1)(b)(i) above, the tractor unit shall, when so used, be taken to be licensed in accordance with the requirements of this Act.

*Tractor units having three or more axles used with semi-trailers having only one axle when duty paid by reference to use with semi-trailers having more than one axle*

14B (1) This paragraph applies in any case where—

- (a) a vehicle licence has been taken out for a tractor unit having three or more axles which is to be used only with semi-trailers with not less than two axles ; and
- (b) the rate of duty paid on taking out the licence is equal to or exceeds the rate of duty applicable to a tractor unit having three or more axles—
  - (i) which has a plated train weight equal to (he maximum laden weight at which a tractor unit having three or more axles may lawfully be used in Great Britain with a semi-trailer with a single axle; and
  - (ii) which is to be used with semi-trailers with any number of axles.

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*Status: This is the original version (as it was originally enacted).*

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- (2) If, in a case to which this paragraph applies, the tractor unit is used with a semi-trailer with a single axle and, when so used, the laden weight of the tractor unit and semi-trailer taken together does not exceed the maximum laden weight mentioned in sub-paragraph (1)(b)(i) above, the tractor unit shall, when so used, be taken to be licensed in accordance with the requirements of this Act.”

*Amendments made only in the Act of 1971*

- 9 In paragraph 5(1) of Part I of Schedule 4 to the Act of 1971 (special types of vehicles) for the words from " vehicle — " to " (c) " there shall be substituted
- “vehicle (other than, in the case of a vehicle falling within paragraph (a) below, one of a prescribed class) which has an unladen weight exceeding 1,525 kilograms ; and
- (a) which has, for the purposes of this Schedule, a plated gross weight or plated train weight by virtue only of paragraph 9(2A)(c) below; or
- (b)”.
- 10 In paragraph 9 of Part I of Schedule 4 to the Act of 1971 (plated and unladen weights)—
- (a) in sub-paragraph (1)(a), for the words from " plated weight " to "Act 1972" there shall be substituted the word " weight " and at the end there shall be inserted the words " as indicated on the appropriate plate " ;
- (b) in sub-paragraph (1)(b), for the words "a plated gross weight" there shall be substituted the words " such a plate " ; and
- (c) in sub-paragraph (2), for the words from "plated weight" to " Part II" there shall be substituted the word " weight " and at the end there shall be inserted the words " as indicated on the appropriate plate " .
- 11 In the said paragraph 9 there shall be inserted, after sub-paragraph (2), the following sub-paragraph—
- “(2A) In this paragraph "appropriate plate", in relation to a vehicle or trailer, means—
- (a) where a Ministry plate (within the meaning of regulations made under section 40 or 45 of the Road Traffic Act 1972) has been issued, or has effect as if issued, for the vehicle or trailer following the issue or amendment of a plating certificate (within the meaning of Part LT of that Act), that plate ;
- (b) where paragraph (a) does not apply, but such a certificate is in force for the vehicle or trailer, that certificate ; and
- (c) where neither paragraph (a) nor paragraph (b) above applies but the vehicle or trailer has been equipped with a plate in accordance with regulations made under section 40 of the Act of 1972, that plate.”

*Amendments made only in the Act of 1972*

- 12 For paragraph 5(1) of Part I of Schedule 4 to the Act of 1972 (special types of vehicles) there shall be substituted the following paragraph—
- “(1) This paragraph applies to a goods vehicle—

- (a) which has an unladen weight exceeding 1,525 kilograms ; and
- (b) which is for the time being authorised for use on roads by virtue of an order under Article 29(3) of the Road Traffic (Northern Ireland) Order 1981 (authorisation of special vehicles).”

## SCHEDULE 4

Section 18.

EVENTS RESTORING THE INCOME TAX CHARGE IN CONNECTION  
WITH ASSIGNED LIFE POLICIES AND ANNUITY CONTRACTS

- 1 (1) In this Schedule " assigned policy " means a policy of life assurance—
- (a) which was issued in respect of an insurance made before 26th June 1982 ; and
  - (b) the rights conferred by which have been assigned for money or money's worth before that date; and
  - (c) in relation to which an event occurring on or after that date would not, apart from the provisions of this Schedule, be a chargeable event
- (2) In this Schedule " assigned contract" means a contract for a life annuity—
- (a) which was made before 26th June 1982 ; and
  - (b) the rights conferred by which have been assigned for money or money's worth before that date; and
  - (c) in relation to which an event occurring on or after that date would not, apart from the provisions of this Schedule, be a chargeable event
- 2 (1) The relevant provision shall cease to apply to an assigned policy or assigned contract if, after 23rd August 1982.—
- (a) the rights conferred by the policy or contract are again assigned for money or money's worth; or
  - (b) a payment is made by way of premium or as lump sum consideration under the policy or contract; or
  - (c) subject to paragraph 3 below, a sum is lent by or by arrangement with the body issuing the policy or, as the case may be, the body with which the contract was made.
- (2) No account shall be taken for the purposes of sub-paragraph (1)(a) above of any assignment effected by way of security for a debt, or on the discharge of a debt secured by the rights concerned, or of an assignment between spouses living together.
- 3 (1) Paragraph 2(1)(c) above does not apply unless—
- (a) the policy was issued in respect of an insurance made after 26th March 1974 or, as the case may be, the contract was made after that date ; and
  - (b) the sum concerned is lent to or at the direction of the individual who, in accordance with sub-paragraph (2) below, is at the time of the loan the chargeable individual.
- (2) The individual who is at any time the chargeable individual for the purposes of sub-paragraph (1)(b) above shall be determined as follows.—
- (a) if at the time the rights conferred by the policy or contract are vested in an individual as beneficial owner or are held on trusts created by an individual

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- (including such trusts as are referred to in section 399(1)(a) of the Taxes Act), that individual is the chargeable individual; and
- (b) if at the time those rights are held as security for a debt owed by an individual, that individual is the chargeable individual.
- (3) Paragraph 2(1)(c) above does not apply in relation to a policy if—
- (a) it is a qualifying policy within the meaning of Schedule 1 to the Taxes Act; and
- (b) either interest at a commercial rate is payable on the sum lent or the sum is lent to a full-time employee of the body issuing the policy for the purpose of assisting him in the purchase or improvement of a dwelling-house to be used as his only or main residence.
- 4 Where the relevant provision ceases to apply to an assigned policy or assigned contract by virtue of paragraph 2(1)(c) above, the lending of the sum concerned shall be regarded for the purposes of the Income Tax Acts (other than that paragraph) as taking place immediately after the time at which the relevant provision ceases so to apply.

## SCHEDULE 5

Section 26.

### RELIEF FOR INVESTMENT IN CORPORATE TRADES

#### PART I

##### INVESTMENT AFTER 5TH APRIL 1983 IN UNQUOTED TRADING COMPANIES

- 1 (1) In this Part of this Schedule " Chapter II" means Chapter II of Part IV of the Finance Act 1981 (relief for investment in new corporate trades).
- (2) Any provision of this Part which applies provisions of Chapter II shall be construed as applying those provisions for the purposes of this Part as they apply for the purposes of Chapter II; and references in any provision so applied to any other provision of Chapter II shall, except where this Part otherwise requires, be construed as references to that other provision as so applied.

#### *The relief*

- 2 (1) This Part of this Schedule has effect for affording relief from income tax where—
- (a) an individual who qualifies for the relief subscribes for eligible shares in a qualifying company ; and
- (b) those shares are issued to him for the purpose of raising money for a qualifying trade which is being carried on by the company or which it intends to carry on.
- (2) In this Part " eligible shares" means new ordinary shares which, throughout the period of five years beginning with the date on which they are issued, carry no present or future preferential right to dividends or to a company's assets on its winding up and no present or future preferential right to be redeemed.

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- (3) The relief in respect of the amount subscribed by an individual for any eligible shares shall be given as a deduction of that amount from his total income for the year of assessment in which the shares are issued, and references in this Part to the amount of the relief are references to the amount of that deduction.
- (4) The relief shall be given on a claim and shall not be allowed—
  - (a) unless and until the company has carried on the trade for four months; and
  - (b) if the company is not carrying on that trade at the time when the shares are issued, unless the company begins to carry it on within two years after that time.
- (5) A claim for the relief may be allowed at any time after the trade has been carried on by the company for four months if the conditions for the relief are then satisfied; but no claim shall be allowed before 1st January 1984.
- (6) In the case of a claim allowed before the end of the relevant period, the relief shall be withdrawn if by reason of any subsequent event it appears that the claimant was not entitled to the relief allowed.
- (7) In this Part, " the relevant period ", in relation to relief in respect of any eligible shares issued by a company, means—
  - (a) as respects paragraphs 4, 7, 8, 9 and 10 below, the period beginning with the incorporation of the company (or, if the company was incorporated more than two years before the date on which the shares were issued, beginning two years before that date) and ending five years after the issue of the shares; and
  - (b) as respects paragraphs 5, 6 and 17 below, the period beginning with the date on which the shares were issued and ending either three years after that date or, where the company was not at that date carrying on a qualifying trade, three years after the date on which it subsequently began to carry on such a trade.
- (8) Where by reason of its being wound up, or dissolved without winding up, the company carries on the qualifying trade for a period shorter than four months, sub-paragraph (4)(a) above shall have effect as if it referred to that shorter period but only if it is shown that the winding up or dissolution was for bona fide commercial reasons and not as part of a scheme or arrangement the main purpose or one of the main purposes of which was the avoidance of tax.
- (9) Section 52(7) to (8A) of Chapter II shall apply, but in the case of subsection (7) with the deletion of the reference to section 204(3) of the Taxes Act (pay as you earn) and, in the case of subsection (8), with the substitution for the reference to subsection (3) (a) of section 52 of a reference to sub-paragraph (4)(a) above.

#### *Limits on relief*

- 3 (1) Subject to paragraph 19 below, the relief shall not be given in respect of any amount subscribed by an individual for eligible shares issued to him by any company in any year of assessment unless the amount or total amount subscribed by him for the eligible shares issued to him by the company in that year is £500 or more.
- (2) The relief shall not be given to the extent to which the amount or total amount subscribed by an individual for eligible shares issued to him in any year of assessment (whether or not by the same company) exceeds £40,000.

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*Individuals qualifying for relief*

- 4
- (1) An individual qualifies for the relief if he subscribes for the eligible shares on his own behalf, is resident and ordinarily resident in the United Kingdom throughout the year of assessment in which they are issued and is not at any time in the relevant period connected with the company.
  - (2) Section 54(2) to (8) of Chapter LI shall apply.
  - (3) In determining, for the purposes of this paragraph, whether an individual is connected with a company, no debt incurred by the company by overdrawing an account with a person carrying on a business of banking shall be treated as loan capital of the company if the debt arose in the ordinary course of that business.
  - (4) Where an individual subscribes for shares in a company with which he is not connected (either within the meaning of this paragraph or by virtue of paragraph 2(1B)(b) of Schedule 12, as applied by paragraph 18(5) below) he shall nevertheless be treated as connected with it if he subscribes for the shares as part of any arrangement which provides for another person to subscribe for shares in another company with which that or any other individual who is a party to the arrangement is connected (within the meaning of this paragraph or by virtue of that paragraph).

*Qualifying companies*

- 5
- (1) A company is a qualifying company if it is incorporated in the United Kingdom and complies with the requirements of this paragraph.
  - (2) The company must, throughout the relevant period, be an unquoted company which is resident in the United Kingdom and not resident elsewhere, and be—
    - (a) a company which exists wholly, or substantially wholly, for the purpose of carrying on wholly or mainly in the United Kingdom one or more qualifying trades ; or
    - (b) a company whose business consists wholly of—
      - (i) the holding of shares or securities of, or the making of loans to, one or more qualifying subsidiaries of the company; or
      - (ii) both the holding of such shares or securities, or the making of such loans and the carrying on of one or more qualifying trades.
  - (3) In this paragraph "qualifying subsidiary", in relation to a company, means a subsidiary of that company of a kind which may be held by virtue of paragraph 17 below.
  - (4) Without prejudice to the generality of sub-paragraph (2) above, but subject to sub-paragraph (5) below, a company ceases to comply with that sub-paragraph if before the end of the relevant period a resolution is passed, or an order is made, for the winding up of the company (or, in the case of a winding up otherwise than under the Companies Act 1948 or the Companies Act (Northern Ireland) 1960, any other act is done for the like purpose) or the company is dissolved without winding up.
  - (5) A company shall not be regarded as ceasing to comply with sub-paragraph (2) above if it does so by reason of being wound up or dissolved without winding up and—
    - (a) it is shown that the winding up or dissolution is for bonafide commercial reasons and not part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax ; and

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- (b) the company's net assets, if any, are distributed to its members or dealt with as bona vacantia before the end of the relevant period or, in the case of a winding up, the end (if later) of three years from the commencement of the winding up.
- (6) The company's share capital must not, at any time in the relevant period, include any issued shares that are not fully paid up.
- (7) Subject to paragraph 17 below, the company must not at any time in the relevant period—
- (a) control (or together with any person connected with it control) another company or be under the control of another company (or of another company and any person connected with that other company); or
  - (b) be a 51 per cent subsidiary of another company or itself have a 51 per cent subsidiary ;
- and no arrangements must be in existence at any time in that period by virtue of which the company could fall within paragraph (a) or (b) above.
- (8) A company is not a qualifying company if—
- (a) an individual has acquired a controlling interest in the company's trade after 5th April 1983 ; and
  - (b) at any time in the period mentioned in sub-paragraph (10) below he has, or has had, a controlling interest in another trade; and
  - (c) the trade carried on by the company, or a substantial part of it—
    - (i) is concerned with the same or similar types of property or parts thereof or provides the same or similar services or facilities as the other trade ; or
    - (ii) serves substantially the same or similar outlets or markets as the other trade.
- (9) Section 56(8) and (9) of Chapter II shall apply for the purposes of sub-paragraph (8) above.
- (10) The period referred to in sub-paragraph (8) above is the period beginning two years before and ending three years after—
- (a) the date on which the shares were issued; or
  - (b) if later, the date on which the company began to carry on the trade.

#### *Qualifying trades*

- 6
- (1) A trade is a qualifying trade if it complies with the requirements of this paragraph,
  - (2) The trade must not at any time in the relevant period consist to any substantial extent of any of the activities mentioned in section 56(2) of Chapter II (as read with section 56(3) and Schedule 11).
  - (3) The trade must, during the relevant period, be conducted on a commercial basis and with a view to the realisation of profits.
  - (4) Section 56(10) of Chapter II shall apply.

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*Disposal of shares*

- 7 (1) Where an individual disposes of any eligible shares before the end of the relevant period, then—
- (a) if the disposal is otherwise than by way of a bargain made at arm's length, he shall not be entitled to any relief in respect of those shares; and
  - (b) in any other case, the amount of relief to which he is entitled in respect of those shares shall be reduced by the amount or value of the consideration which he receives for them.
- (2) Where an individual holds ordinary shares in a company and the relief has been given in respect of some but not others, any disposal by him of ordinary shares in the company shall be treated for the purposes of this paragraph as relating—
- (a) first, to those (if any) in respect of which relief has been given under Chapter II rather than to others ; and
  - (b) then, to those in respect of which relief has been given under this Part rather than to others.
- (3) Section 57(3) and (4) of Chapter II shall apply but, in the case of subsection (4), with the substitution for the reference to subsection (2) of a reference to sub-paragraph (2) above.

*Value received from company*

- 8 (1) Where an individual who subscribes for eligible shares in a company—
- (a) has, before the issue of the shares but within the relevant period, received any value from the company ; or
  - (b) after their issue but before the end of the relevant period, receives any such value ;
- the amount of the relief to which he is entitled in respect of the shares shall be reduced by the value received ; but the value received shall be disregarded to the extent to which relief under Chapter II has, by virtue of section 58(1) of that Chapter, been reduced on its account.
- (2) Subject to sub-paragraph (3) below, section 58(2) to (9) of Chapter II shall apply but, in the case of subsection (3), with the substitution for the reference to section 55(5) of a reference to paragraph 5(5) above.
- (3) For the purposes of this paragraph an individual also receives value from the company if any person connected with the company (within the meaning of section 54 of Chapter II)—
- (a) purchases any of its share capital or securities which belong to the individual; or
  - (b) makes any payment to him for giving up any right in relation to any of the company's share capital or securities,
- and the value received by the individual is the amount receivable by the individual or, if greater, the market value of the shares or securities in question.

*Replacement capital*

- 9 (1) An individual is not entitled to relief in respect of any shares in a company where—
- (a) at any time in the relevant period, the company or any of its subsidiaries—



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- (i) begins to carry on a trade which was previously carried on at any time in that period by a person other than the company or any of its subsidiaries ; or
    - (ii) acquires the whole, or greater part, of the assets used for the purposes of a trade previously so carried on; and
  - (b) sub-paragraph (2) below applies in relation to that individual.
- (2) This sub-paragraph applies in relation to an individual where—
  - (a) the person or persons to whom an interest amounting in the aggregate to more than a half share in the trade (as previously carried on) belonged, at any time in the relevant period, is or are the person or persons to whom such an interest in the trade (as transferred) belongs or has, at any such time, belonged ; or
  - (b) the person or persons who control or, at any such time, have controlled the company are the person or persons who, at any such time, controlled another company which previously carried on the trade ;and the individual is that person or one of those persons.
- (3) An individual is not entitled to relief in respect of any shares in a company where—
  - (a) the company comes to acquire all of the issued share capital of another company, at any time in the relevant period ; and
  - (b) the person or persons who control or have, at any such time, controlled the company are the person or persons who, at any such time, controlled that other company ;and the individual is that person, or one of those persons.
- (4) For the purposes of sub-paragraph (2) above—
  - (a) the persons to whom a trade belongs and, where a trade belongs to two or more persons, their respective shares in that trade shall be determined in accordance with subsections (1)(a) and (b), (2) and (3) of section 253 of the Taxes Act; and
  - (b) any interest, rights or powers of a person who is an associate (as denned by section 67(1) of Chapter II) of another person shall be treated as those of that other person.
- (5) In this paragraph—
  - " subsidiary " means a subsidiary of a kind which a qualifying company may have by virtue of paragraph 17 below ; and
  - " trade " includes any business, profession or vocation and any part of a trade.

*Value received by persons other than claimants*

- 10 (1) The relief to which an individual is entitled in respect of any shares in a company shall be reduced in accordance with section 59(3) of Chapter II, as applied by sub-paragraph (2) below, if at any time in the relevant period the company repays, redeems or repurchases any of its share capital which belongs to any member other than—
- (a) that individual; or
  - (b) another individual whose relief is thereby reduced by virtue of section 58(2) (a) of Chapter II as applied by paragraph 8 above,

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or makes any payment to any such member for giving up his right to any of the company's share capital on its cancellation or extinguishment.

- (2) Section 59(3) to (8) of Chapter II shall apply, but with the deletion, in subsection (4), of the reference to section 53(3) and (7) and, in subsection (6), of paragraphs (a) and (b).
- (3) Sub-paragraph (1) above does not apply in relation to the redemption of any share capital for which the redemption date was fixed before 15th March 1983.
- (4) Where—
- (a) after 5th April 1983 a company issues share capital (" the original shares ") of nominal value equal to the authorised minimum (within the meaning of the Companies Act 1980) for the purposes of complying with the requirements of section 4 of that Act (public company not to do business unless requirements as to share capital complied with) ; and
  - (b) after the registrar of companies has issued the company with a certificate under section 4 it issues eligible shares,
- sub-paragraph (1) above shall not apply in relation to any redemption of any of the original shares within 12 months of the date on which those shares were issued.

- (5) Where—
- (a) a company has issued shares in respect of which one or more individuals are entitled to relief under this Part and has also issued shares in respect of which one or more individuals are entitled to relief under Chapter II; and
  - (b) sub-paragraph (1) above applies ;
- then, for the purposes of section 59(3) of Chapter LT (as it applies both to this Part and to Chapter II), the relief given under Chapter II shall be treated as if it were relief given under this Part.

#### *Prevention of misuse*

- 11 An individual is not entitled to relief in respect of any shares unless the shares are subscribed for and issued for bona fide commercial purposes and not as part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax.

#### *Husband and wife*

- 12 (1) In the case of any amount subscribed by a married woman for eligible shares issued to her at a time—
- (a) when she is living with her husband ; and
  - (b) which falls in a year of assessment for which his income includes (or, if there were any, would include) any of hers,
- the deduction under paragraph 2(3) above shall, subject to sub-paragraph (2) below, be made from his total income, and references in this Part to the relief to which an individual is entitled in respect of any shares shall be construed accordingly.
- (2) Section 60(2) to (7) of Chapter II shall apply, with the substitution, for references to sections 52(2), 53(1) and (2) and 57(1) of references to, respectively, paragraphs 2(3), 3(1) and (2) and 7(1) above.

### *Claims*

- 13 (1) A claim for the relief in respect of eligible shares issued by a company in any year of assessment shall be made—
- (a) not earlier than 1st January 1984 or, if later, the end of the period of four months mentioned in paragraph 2(4)(a) above; and
  - (b) not later than two years after the end of that year of assessment or, if that period of four months ended after the end of that year, not later than two years after the end of that period.
- (2) A claim for relief in respect of eligible shares in a company shall not be allowed unless it is accompanied by a certificate issued by the company in such form as the Board may direct and certifying that the conditions for the relief, so far as applying to the company and the trade, are satisfied in relation to those shares.
- (3) Before issuing a certificate for the purposes of sub-paragraph (2) above a company shall furnish the inspector with a statement to the effect that it satisfies the conditions for the relief, so far as they apply in relation to the company and the trade, and has done so at all times since the beginning of the relevant period.
- (4) No such certificate shall be issued without the authority of the inspector or where the company, or a person connected with the company, has given notice to the inspector under paragraph 15(2) below.
- (5) Any statement under sub-paragraph (3) above shall contain such information as the Board may reasonably require, shall be in such form as the Board may direct and shall contain a declaration that it is correct to the best of the company's knowledge and belief.
- (6) Where a company has issued a certificate for the purposes of sub-paragraph (2) above, or furnished a statement under sub-paragraph (3) above and—
- (a) the certificate or statement is made fraudulently or negligently ; or
  - (b) the certificate was issued in contravention of sub-paragraph (4) above;
- the company shall be liable to a penalty not exceeding £250 or, in the case of fraud, £500.
- (7) For the purpose of regulations made under section 204 of the Taxes Act (pay as you earn), no regard shall be had to the relief unless a claim for it has been duly made and admitted.
- (8) Section 61(6) of Chapter II shall apply.
- (9) For the purposes of section 86 of the Taxes Management Act 1970 (interest on overdue tax), tax charged by an assessment—
- (a) shall be regarded as due and payable notwithstanding that relief from the tax (whether by discharge or repayment) is subsequently given on a claim for the relief; but
  - (b) shall, unless paid earlier or due and payable later, be regarded as paid on the date of the making of the claim on which the relief is given ;
- and section 91 of that Act (effect on interest of reliefs) shall not apply in consequence of any discharge or repayment for giving effect to the relief.

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*Assessments for withdrawing relief*

- 14 (1) Where any relief has been given which is subsequently found not to have been due, it shall be withdrawn by the making of an assessment to tax under Case VI of Schedule D for the year of assessment for which the relief was given.
- (2) Section 62(2) to (7) of Chapter II shall apply but, in the case of subsection (4), with the substitution for the reference to section 57(1)(b) of a reference to paragraph 7(1) (b) above and, in the case of subsection (6), with the substitution for paragraphs (a) to (d) of the following paragraphs—
- “(a) in the case of relief withdrawn by virtue of paragraphs 4, 5, 6 or 10(1) of Schedule 5 to the Finance Act 1983 in consequence of any event after the grant of the relief, the date of that event;
  - (b) in the case of relief withdrawn by virtue of paragraph 7(1) of that Schedule in consequence of a disposal after the grant of the relief, the date of the disposal;
  - (c) in the case of relief withdrawn by virtue of paragraph 8 of that Schedule in consequence of a receipt of value after the grant of the relief, the date of the receipt;
  - (d) in the case of relief withdrawn by virtue of paragraph 11 of that Schedule—
    - (i) so far as effect has been given to the relief in accordance with regulations under section 204 of the Taxes Act (pay as you earn), 5th April in the year of assessment in which effect was so given ; and
    - (ii) so far as effect has not been so given, the date on which the relief was granted.”

*Information*

- 15 (1) Where an event occurs by reason of which any relief given to an individual falls to be withdrawn by virtue of paragraph 4, 7, 8 or 12(2) above the individual shall within sixty days of his coming to know of the event give a notice in writing to the inspector containing particulars of the event
- (2) Where an event occurs by reason of which any relief in respect of any shares in a company falls to be withdrawn by virtue of paragraph 5, 6, 8, 9, 10 or 11 above—
- (a) the company ; and
  - (b) any person connected with the company who has knowledge of that matter;
- shall within sixty days of the event or, in the case of a person within paragraph (b) above, of his coming to know of it, give a notice in writing to the inspector containing particulars of the event or payment
- (3) If the inspector has reason to believe that a person has not given a notice which he is required to give under sub-paragraph (1) or (2) above in respect of any event the inspector may by notice in writing require that person to furnish him within such time (not being less than sixty days) as may be specified in the notice with such information relating to the event as the inspector may reasonably require for the purposes of this Part.
- (4) Where relief is claimed in respect of shares in a company and the inspector has reason to believe that it may not be due by reason of any such arrangement or scheme as is mentioned in paragraph 4(4), 5(7) or 11 above, he may by notice in writing require

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any person concerned to furnish him within such time (not being less than sixty days) as may be specified in the notice with—

- (a) a declaration in writing stating whether or not, according to the information which that person has or can reasonably obtain, any such arrangement or scheme exists or has existed;
- (b) such other information as the inspector may reasonably require for the purposes of the provision in question and as that person has or can reasonably obtain.

- (5) References in sub-paragraph (4) above to the person concerned are, in relation to paragraphs 4(4) and 11, the claimant and, in relation to paragraphs 5(7) and 11, the company and any person controlling the company.
- (6) Section 63(7) to (9) of Chapter II shall apply but with the substitution, for the reference to section 58, of a reference to paragraph 8 above.

#### *Capital gains tax*

- 16 (1) The sums allowable as deductions from the consideration in the computation for the purposes of capital gains tax of the gain or loss accruing to an individual on the disposal of shares in respect of which any relief has been given and not withdrawn shall be determined without regard to that relief, except that where those sums exceed the consideration they shall be reduced by an amount equal to—
  - (a) the amount of that relief, or
  - (b) the excess,whichever is the less, but the foregoing provisions of this sub-paragraph shall not apply to a disposal falling within section 44(1) of the Capital Gains Tax Act 1979 (disposals between husband and wife).
- (2) Sections 88 and 89 of the Finance Act 1982 (identification of securities disposed of) shall not apply to shares in respect of which any relief has been given and not withdrawn ; and any question—
  - (a) as to which of any such shares issued to a person at different times a disposal relates ; or
  - (b) whether a disposal relates to such shares or to other shares ;shall for the purposes of capital gains tax be determined as for the purposes of paragraph 7 above.
- (3) Where an individual holds ordinary shares in a company and the relief has been given in respect of some but not others, then, if there is within the meaning of section 77 of the Act of 1979 a reorganisation affecting those shares, section 78 of that Act shall apply separately to the shares in respect of which the relief has been given and to the other shares (so that the shares of each kind are treated as a separate holding of original shares and identified with a separate new holding).
- (4) There shall be made all such adjustments of capital gains tax, whether by way of assessment or by way of discharge or repayment of tax, as may be required in consequence of the relief being given or withdrawn.

#### *Application to subsidiaries*

- 17 (1) A qualifying company may, in the relevant period, have one or more subsidiaries if—

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- (a) the conditions mentioned in section 65(2) of Chapter II are satisfied in respect of the subsidiary or each subsidiary and, except as provided in section 65(3), continue to be so satisfied until the end of the relevant period ; and
  - (b) the subsidiary or each subsidiary was incorporated in the United Kingdom and is a company falling within sub-paragraph (2)(a) of paragraph 5 above ; and
  - (c) the subsidiary or each subsidiary complies with paragraph 5(2) above.
- (2) Where a qualifying company has one or more subsidiaries in the relevant period this Part shall have effect subject to paragraph 18 below.
- 18 (1) The shares issued by the qualifying company may, instead of or as well as being issued for the purpose mentioned in sub-paragraph (1)(b) of paragraph 2 above, be issued for the purpose of raising money for a qualifying trade which is being carried on by a subsidiary or which a subsidiary intends to carry on within the next four months; and where shares are so issued sub-paragraphs (4), (5) (7)(6) and (8) of that paragraph shall have effect as if references to the company were or, as the case may be, included references to the subsidiary.
- (2) In relation to a qualifying trade carried on by a subsidiary the reference in section 56(2)(f) of Chapter II (as applied for the purposes of this Part) to another person shall not include a reference to the company of which it is a subsidiary.
- (3) In sub-paragraph (1) of paragraph 10 above references to the company (except the first) shall include references to a company which during the relevant period is a subsidiary of the company, whether it becomes a subsidiary before or after the redemption, repayment, repurchase or payment referred to in that sub-paragraph.
- (4) Sub-paragraphs (4) and (5) of paragraph 15 above shall have effect in relation to any such arrangements as are mentioned in section 65(2)(c) of Chapter II as they have effect in relation to any such arrangement as is mentioned in paragraph 11 above.
- (5) The following provisions of Chapter II shall apply: paragraphs 2 and 4 of Schedule 12; but paragraph 4 shall apply with the substitution of a reference to paragraph 8(1) above for the reference to section 58(1).

*Nominees and approved investment funds*

- 19 (1) Shares subscribed for, issued to, held by or disposed of for an individual by a nominee shall be treated for the purposes of this Part as subscribed for, issued to, held by or disposed of by that individual.
- (2) Paragraph 3(1) above shall not apply where the amount is subscribed as nominee for an individual by the person or persons having the management of an investment fund approved for the purposes of this paragraph by the Board ("the managers of an approved fund ").
- (3) Where an individual claims relief in respect of eligible shares in a company which have been issued to the managers of an approved fund as nominee for that individual, paragraph 13(2) above shall apply as if it required—
- (a) the certificate referred to in that paragraph to be issued by the company to the managers; and
  - (b) the claim for relief to be accompanied by a certificate issued by the managers, in such form as the Board may authorise, certifying that the managers hold

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*Status: This is the original version (as it was originally enacted).*

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certificates issued to them by the companies concerned, for die purposes of paragraph 13(2) above, in respect of the holdings of eligible shares shown on the managers' certificate.

- (4) The managers of an approved fund may be required by a notice given to them by an inspector or other officer of the Board to deliver to the officer, within the time limited by the notice, a return of the holdings of eligible shares shown on certificates issued by them in accordance with sub-paragraph (3) above in the year of assessment to which the return relates.
- (5) Paragraph 13(6) above shall not apply in relation to any certificate issued by the managers of an approved fund for the purposes of sub-paragraph (3) above.

#### *Interpretation*

- 20 (1) Subject to sub-paragraph (2) below, section 67 of Chapter II shall apply.
- (2) In this Part, including provisions of Chapter II as applied by this Part—
- " debenture " has the meaning given by section 455 of the Companies Act 1948;
  - " the relevant period " has the meaning given in paragraph 2(7) above;
  - " the relief " and " relief ", except in references to relief under Chapter II, means relief under paragraph 2 above and references to the amount of the relief shall be construed in accordance with sub-paragraph (3) of that paragraph; and
  - " unquoted company " means a company none of whose shares, stocks or debentures are listed in the Official List of the Stock Exchange or dealt in on the Unlisted Securities Market

## **PART II**

### AMENDMENTS OF CHAPTER N OF PART IV OF THE FINANCE ACT 1981

- 21 In section 52(9) of the Finance Act 1981 (relief available only where shares issued in 1981-82 or the next two years) for the words "or either of the next two years of assessment" there shall be substituted the words " or the year 1982-83 " .
- 22 Section 53(7) of the Act of 1981 (withdrawal of relief where more than 50 per cent, of the company's share capital consists of shares in respect of which relief has been given) shall cease to have effect in relation to events occurring on or after 6th April 1983.
- 23 Where, at any time after 5th April 1983, a company has any share capital of a kind falling within paragraph (a) or (b) of section 55(7) of the Act of 1981 (restrictions on types of share capital) that section shall apply as if paragraphs (a) and (b) were omitted.

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*Status: This is the original version (as it was originally enacted).*

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## SCHEDULE 6

Section 34.

## CAPITAL GAINS : ELECTION FOR POOLING

*Interpretation*

- 1 (1) In this Schedule—
- (a) "the principal Act" means the Capital Gains Tax Act 1979;
  - (b) " the 1982 Act" means the Finance Act 1982 ;
  - (c) " the qualifying period " has the meaning assigned to it by section 86(1)(b) of the 1982 Act; and
  - (d) " relevant allowable expenditure " has the meaning assigned to it by subsections (2)(b) and (3) of section 86 of the 1982 Act
- (2) For the purposes of this Schedule, " qualifying securities " are securities, as defined in section 88(9) of the 1982 Act, which are neither—
- (a) gilt-edged securities, as defined in Schedule 2 to the principal Act; nor
  - (b) securities which on 6th April 1965 were held by the company making the election concerned and which, disregarding the effect of sections 88 and 89 of the 1982 Act, would for the time being be excluded from the effect of section 65 of the principal Act by virtue of subsection (1)(b) of that section.

*Election for pooling*

- 2 (1) An election under this Schedule shall be made by notice in writing to the inspector not later than the expiry of two years from the end of the accounting period in which the first relevant disposal is made or such further time as the Board may allow.
- (2) For the avoidance of doubt it is hereby declared—
- (a) that where a company makes an election under this Schedule with respect to qualifying securities which it holds solely and beneficially, that election does not apply to qualifying securities which it holds in another capacity; and
  - (b) that an election under this Schedule is irrevocable.
- (3) In this paragraph the " first relevant disposal", in relation to an election, means the first disposal after 31st March 1982 by the company making the election of qualifying securities which are held by it solely and beneficially.

*Effect of election*

- 3 (1) The provisions of this paragraph have effect where an election is made under this Schedule.
- (2) The election shall have effect with respect to all disposals after 31st March 1982 of qualifying securities held solely and beneficially by the company making the election.
- (3) For the purposes of the principal Act, qualifying securities—
- (a) which are of the same class, and
  - (b) which have been held by the company making the election for such a length of time that, on a disposal of them, the disposal would not be regarded as occurring within the qualifying period,



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shall be regarded as indistinguishable parts of a single asset (in this paragraph referred to as a holding) diminishing or growing on the occasions on which some of the securities of the class in question are disposed of or additional securities of the class in question which have been previously acquired become held as mentioned in paragraph (b) above.

- (4) Without prejudice to the generality of sub-paragraph (3) above, a disposal of securities in a holding, other than the disposal outright of the entire holding, is a disposal of part of an asset and the provisions of the principal Act relating to the computation of a gain accruing on a disposal of part of an asset shall apply accordingly.
- (5) In accordance with the preceding provisions of this paragraph, where an election is made under this Schedule, the holding shall come (or, as the case may be, shall be treated as having come) into being—
  - (a) on the first anniversary of the first acquisition of qualifying securities of a particular description ; or
  - (b) if Part II of Schedule 13 to the 1982 Act applies so that " the holding " for the purposes of this paragraph consists of or includes what is "the holding" or "the reduced holding " referred to in paragraph 8 or paragraph 9 of that Schedule, on 1st April 1982.
- (6) In its application to a holding, subsection (1) of section 86 of the 1982 Act (conditions for the existence of the indexation allowance) shall have effect as if the condition in paragraph (b) (the qualifying period) were always fulfilled.
- (7) Shares or securities of a company shall not be treated for the purposes of this Schedule as being of the same class unless they are so treated by the practice of The Stock Exchange or would be so treated if dealt with on The Stock Exchange.

#### *The 1982 identification rules*

- 4 (1) The provisions of sections 88 and 89 of, and Part II of Schedule 13 to, the 1982 Act shall have effect for determining whether qualifying securities have been held as mentioned in paragraph (b) of sub-paragraph (3) of paragraph 3 above but, subject to that, those provisions shall not apply to securities forming part of die single asset referred to in that sub-paragraph.
- (2) Any reference in sub-paragraph (1) above to qualifying securities includes a reference to a single asset consisting of qualifying securities which continued in existence on and after 1st April 1982 by virtue of paragraph 8 or paragraph 9(3)(a) of Schedule 13 to the 1982 Act.

#### *The indexation allowance*

- 5 (1) Where an election has been made under this Schedule, the following provisions of this Schedule have effect in place of the provisions of section 87 of the 1982 Act for the purpose of computing the indexation allowance on a disposal to which section 86 of that Act applies of the single asset (in the following provisions of this Schedule referred to as " the holding ") which by virtue of paragraph 3(3) above results from the election.
- (2) On any disposal of the holding falling within sub-paragraph (1) above, other than a disposal of the whole of it.—

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- (a) the unindexed and indexed pools of expenditure shall each be apportioned between the part disposed of and the remainder in the same proportions as, under the principal Act, the relevant allowable expenditure is apportioned ; and
  - (b) the indexation allowance is the amount by which the portion of the indexed pool which is attributed to the part disposed of exceeds the portion of the unindexed pool which is attributed to that part.
- (3) On a disposal falling within sub-paragraph (1) above of the whole of the holding, the indexation allowance is the amount by which the indexed pool of expenditure at the time of the disposal exceeds the unindexed pool of expenditure at that time.
- 6
  - (1) Subject to sub-paragraph (2) below, in relation to the holding, the unindexed pool of expenditure is at any time the amount which would be the aggregate of the relevant allowable expenditure in relation to a disposal of the whole of the holding occurring at that time.
  - (2) Where any item of the relevant allowable expenditure referred to in sub-paragraph (1) above was incurred after the time at which the securities to which it relates were acquired, it shall not be taken into account for the purpose of determining the unindexed pool of expenditure at any time before the expiry of the period of twelve months beginning on the date on which it was incurred; but at the expiry of that period the unindexed pool of expenditure shall be increased, subject to sub-paragraph (3) below, by the addition of a sum equal to it.
  - (3)
    - i, before the expiry of the period of twelve months referred to in sub-paragraph (2) above, there is a disposal of any of the securities to which the item of relevant expenditure referred to in that sub-paragraph relates, only the portion of that expenditure which is attributable to the securities which are not so disposed of shall be added to the unindexed pool of expenditure by virtue of sub-paragraph (2) above.
  - (4) If, by virtue of any enactment, any item of the relevant allowable expenditure referred to in sub-paragraph (1) above falls to be reduced by reference to a relevant event, within the meaning of paragraph 4 of Schedule 13 to the 1982 Act, occurring after the time at which the securities to which it relates were acquired, that reduction shall not be taken into account for the purpose of determining the unindexed pool of expenditure until the expiry of the period of twelve months beginning on the date of the relevant event in question.
  - (5) If, before the expiry of the period of twelve months referred to in sub-paragraph (4) above, there is a disposal of any of the securities to which the item of relevant expenditure referred to in that sub-paragraph relates, the amount by which the unindexed pool of expenditure falls to be reduced at the expiry of that period shall itself be reduced so that only that portion of the reduction which is attributable to the securities which are not so disposed of shall then be made in the unindexed pool of expenditure.
  - (6) Subsection (5) of section 87 of the 1982 Act (date on which expenditure was incurred) and any provision of Schedule 13 to that Act which, in particular circumstances, displaces that subsection shall apply for the purposes of sub-paragraph (2) above as they apply for the purpose of computing the indexation allowance in accordance with that section.

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*Status: This is the original version (as it was originally enacted).*

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- 7 (1) The provisions of this paragraph have effect, subject to paragraphs 9 and 10 below, for determining, in relation to the holding, the indexed pool of expenditure at any time.
- (2) The indexed pool of expenditure shall come into being at the time that the holding comes into being and shall at that time consist of the aggregate of—
- (a) the unindexed pool of expenditure at that time ; and
  - (b) any indexation allowance which, by virtue of paragraph 7(3) of Schedule 13 to the 1982 Act (options), would have applied to a disposal of the whole of the holding at that time.
- (3) Any reference in the following provisions of this Schedule to an operative event is a reference to any event (whether a disposal, the expiry of a period of twelve months from an acquisition or otherwise) which has the effect of reducing or increasing the unindexed pool of expenditure attributable to the holding.
- (4) Whenever an operative event occurs.—
- (a) there shall be added to the indexed pool of expenditure the indexed rise, as calculated under paragraph 8 below, in the value of that pool since the last operative event or, if there has been no previous operative event, since the pool came into being; and
  - (b) if the operative event results in an increase in the unindexed pool of expenditure then, in addition to any increase under paragraph (a) above, the same increase shall be made to the indexed pool of expenditure ;
  - (c) if the operative event is a disposal resulting in a reduction in the unindexed pool of expenditure, then, whether or not it is a disposal to which section 86 of the 1982 Act applies, the indexed pool of expenditure shall be reduced in the same proportion as the unindexed pool is reduced ; and
  - (d) if the operative event results in a reduction in the unindexed pool of expenditure but is not a disposal, the same reduction shall be made to the indexed pool of expenditure.
- (5) Where the operative event is a disposal to which section 86 of the 1982 Act applies.—
- (a) any addition under paragraph (a) of sub-paragraph (4) above shall be made before the calculation of the indexation allowance under paragraph 5 above; and
  - (b) the reduction under paragraph (c) of that sub-paragraph shall be made after that calculation.
- 8 (1) At the time of any operative event, the indexed rise in the indexed pool of expenditure is a sum produced by multiplying the value of that pool immediately before the event by a figure expressed as a decimal and determined, subject to sub-paragraphs (2) and (3) below, by the formula—

$$\frac{RE - RL}{RL}$$

where—

RE is the retail prices index for the month in which the operative event occurs; and

RL is the retail prices index for the month in which occurred the immediately preceding operative event or, if there has been no such event, in which the indexed pool of expenditure came into being.

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- (2) If RE, as denned in sub-paragraph (1) above, is equal to or less than RL, as so denned, the indexed rise is nil.
- (3) If the figure determined in accordance with the formula in sub-paragraph (1) above would, apart from this sub-paragraph, be a figure having more than three decimal places, it shall be rounded to the nearest third decimal place.

*Transfers on a no gain/no loss basis*

- 9 (1) This paragraph applies in any case where—
- (a) a company (in this paragraph referred to as " the first company ") disposes of securities to another company, (in this paragraph referred to as " the second company ") which has made an election under this Schedule, and
  - (b) the disposal is one to which section 267 or section 273 of the Taxes Act applies (transfers on a company reconstruction etc. and within a group of companies to be on a no gain/no loss basis), and
  - (c) the disposal by the first company takes place outside the qualifying period.
- (2) Nothing in this paragraph affects the operation of paragraph 2 of Schedule 13 to the 1982 Act, but paragraph 3 of that Schedule shall have effect subject to the provisions of this Schedule.
- (3) On the disposal referred to in sub-paragraph (1) above (which is the initial disposal within the meaning of the said paragraph
- (a) the consideration for the disposal shall become part of the second company's indexed pool of expenditure ; and
  - (b) so much of that consideration as does not consist of the indexation allowance on the disposal shall become part of the second company's unindexed pool of expenditure.

*Consideration for options*

- 10 (1) If, in a case where sub-paragraph (4)(b) of paragraph 7 above applies, the increase in the unindexed pool of expenditure is, in whole or in part, attributable to the cost of acquiring an option binding the grantor to sell (in this paragraph referred to as " the option consideration "), then, in addition to any increase under paragraph (a) or paragraph (b) of sub-paragraph (4) of paragraph 7 above, the indexed pool of expenditure shall be increased by an amount equal to the indexed rise in the option consideration, as determined under sub-paragraph (2) below.
- (2) The indexed rise in the option consideration is a sum produced by multiplying the consideration by a figure expressed as a decimal and determined, subject to sub-paragraphs (3) and (4) below, by the formula—

$$\frac{RO - RA}{RA}$$

where—

RO is the retail prices index for the month in which falls the first anniversary of the date on which the option is exercised ; and

RA is the retail prices index for the month in which falls the first anniversary of the date on which the option was acquired or, if it is later, March 1982.

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- (3) If RO, as defined in sub-paragraph (2) above, is equal to or less than RA, as so denned, the indexed rise is nil.
- (4) If the figure determined in accordance with the formula in sub-paragraph (2) above would, apart from this sub-paragraph, be a figure having more than three decimal places, it shall be rounded to the nearest third decimal place.

*Supplementary*

- 11 All such adjustments shall be made, whether by way of discharge or repayment of tax, or the making of assessments or otherwise, as are required to give effect to an election under this Schedule.

SCHEDULE 7

Section 35.

APRT: MODIFICATIONS OF FINANCE ACT 1982, SCHEDULE 19

- 1 In paragraph 1(3) (returns for periods after liability for APRT has ceased) the word " nine " shall be omitted.
- 2 In paragraph 2(2) (instalment payments where liability for APRT expires) for the words from " the chargeable period " to " for that field" there shall be substituted the words " any chargeable period ending on or after 31st December 1984 " .
- 3 (1) In paragraph 14 (repayment of APRT) in sub-paragraph (1) for the words from " for the last" to " section 139(1)(b)" there shall be substituted the words " for the ninth chargeable period following the first chargeable period referred to in section 139(1)(a) " .  
(2) In sub-paragraph (2) of that paragraph for the words from " the last" to " this Act" there shall be substituted the words " the ninth chargeable period referred to in sub-paragraph (1) above " and for the words "subsection (4) of that section" there shall be substituted the words " section 139(4) of this Act " .  
(3) In sub-paragraph (3) of that paragraph for the words " the last chargeable period " and in sub-paragraph (4)(a) of that paragraph for the words " the chargeable period " there shall be substituted the words " the ninth chargeable period " .
- 4 In paragraph 17 (abandoned fields) in sub-paragraph (1)(c) for the words from " last" to " section 139(1)(b)" there shall be substituted the words " ninth chargeable period following the first chargeable period referred to in section 139(1)(a) " .

SCHEDULE 8

Section 37.

RELIEFS FOR EXPLORATION AND APPRAISAL EXPENDITURE ETC.

**PART I**

SECTION TO BE INSERTED AFTER SECTION 5 OF THE PRINCIPAL ACT

**“5A Allowance of exploration and appraisal expenditure.**

- (1) The exploration and appraisal expenditure which, subject to the provisions of this section and Schedule 7 to this Act, is allowable in the case of a person who is a participator in an oil field is any expenditure (whether or not of a capital nature) which—
- (a) is incurred after 15th March 1983 by that person or, if that person is a company, by that company or a company associated with it in respect of the expenditure ; and
  - (b) is so incurred wholly and exclusively for one or more of the purposes specified in subsection (2) below ; and
  - (c) at the time it is so incurred, does not relate to a field for which a development decision has previously been made.
- (2) The purposes referred to in subsection (1) above are—
- (a) the purpose of searching for oil in the United Kingdom, the territorial sea thereof or a designated area ;
  - (b) the purpose of ascertaining the extent or characteristics of any oil-bearing area in the United Kingdom, the territorial sea thereof or a designated area ;
  - (c) the purpose of ascertaining what are the reserves of oil of any such oil-bearing area ; and
  - (d) subject to subsection (3) below, the purpose of making to the Secretary of State any payment under or for the purpose of obtaining a licence (not being a payment by way of royalty or other periodic payment).
- (3) Expenditure incurred for the purpose mentioned in subsection (2)(d) above is not allowable under this section unless, at the time the allowance is claimed.—
- (a) the licence to which the expenditure related has expired or has been determined or revoked ; or
  - (b) part of the licensed area has been surrendered ;
- and where paragraph (b) above applies only that proportion of the expenditure which corresponds to the proportion of the licensed area which has been surrendered is expenditure falling within subsection (1) above.
- (4) Subject to subsection (5) below, subsections (2) and (4) to (8) of section 5 of this Act apply for the purposes of this section as they apply for the purposes of that section.
- (5) In the application for the purposes of this section of the provisions of section 5 of this Act referred to in subsection (4) above.—
- (a) any reference in subsection (2) of section 5 to the purpose mentioned in subsection (1)(b) of that section shall be construed as a reference to any of the purposes specified in subsection (2) of this section ;
  - (b) the reference in subsection (2)(a) of section 5 to subsection (1) of that section shall be construed as a reference to subsection (1) of this section ; and

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- (c) the reference in subsection (6) of section 5 to a sum received does not include a reference—
  - (i) to a sum received from the disposal of oil won in the course of operations carried out for any of the purposes in paragraphs (a) to (c) of subsection (2) of this section ; or
  - (ii) to a sum received for the assignment of any of the rights conferred by a licence or of any interest in a licensed area.
- (6) Expenditure is not allowable under this section in connection with an oil field if, or to the extent that, it has been allowed under Schedule 5, Schedule 6 or Schedule 7 to this Act in connection with any oil field.
- (7) For the purposes of subsection (1)(c) above, a development decision is made when—
  - (a) consent for development is granted to a licensee by the Secretary of State in respect of the whole or part of an oil field ; or
  - (b) a programme of development is served on a licensee or approved by the Secretary of State for the whole or part of an oil field ;and subsections (4) and (5) of section 36 of the Finance Act 1983 (meaning of development etc.) apply in relation to this subsection as they apply in relation to subsections (2) and (3) of that section.
- (8) If, at the time when it is incurred, expenditure relates to an area—
  - (a) which is not then an oil field, but
  - (b) in respect of which notice of a proposed determination has previously been given under paragraph 2(a) of Schedule 1 to this Act,that area shall be treated for the purposes of this section as having become an oil field at the time the notice was given unless, when the actual determination is made, the area is not included in an oil field.””

## PART II

### AMENDMENTS RELATING TO THE NEW ALLOWANCE

#### *The principal Act*

- 1 In section 2(9) of the principal Act (amounts to be taken into account in respect of expenditure) at the end of paragraph (e) there shall be added “and
  - (f) any exploration and appraisal expenditure allowable in the case of the participator under section 5A of this Act which, on a claim made by him under Schedule 7 to this Act, has been allowed under that Schedule before the Board have made an assessment to tax or a determination on or in relation to him for the period in respect of the field, so far as that expenditure has not been taken into account in any previous assessment to tax or determination.”
- 2 At the end of subsection (3) of section 3 of the principal Act (expenditure not allowable under that section if already allowed under other provisions) there shall be added the words " but where expenditure allowable under section 5A of this Act has been allowed on a claim under Schedule 7 to this Act, nothing in this subsection shall prevent a claim being made for an allowance under this section in respect of

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the same expenditure unless the person making the claim is the participator who made the claim under that Schedule " .

3 In section 5 of the principal Act (allowance of abortive exploration expenditure) in subsection (1) after the words " 1st January 1960 " there shall be inserted the words " and before 16th March 1983 " .

4 In section 9 of the principal Act (limit on amount of tax payable) in subsection (2) (a)(ii) for the words " and (e)" there shall be substituted the words " (e) and (f) " .

5 In paragraph 2 of Schedule 2 to the principal Act (returns by participators) at the end of sub-paragraph (2) there shall be inserted the following sub-paragraph: —

“(2A) Every participator in an oil field shall, in the first return under this paragraph which he makes for that field, state whether any and, if any, how much exploration and appraisal expenditure to which section 5A of this Act applies and which relates to, or to a licence for, any part of the field has been claimed under Schedule 7 to this Act—

(a) by him, or

(b) by a company associated with him in respect of that expenditure, or

(c) if he or such a company is the new participator, within the meaning of Schedule 17 to the Finance Act 1980, by the old participator, within the meaning of that Schedule, or by a company associated with him in respect of that expenditure,

and subsection (7) of section 5 of this Act applies for the purposes of this sub-paragraph as it applies for the purposes of that section.”

6 (1) In Schedule 7 to the principal Act (claims for allowance of abortive exploration expenditure) in paragraph 1(1), for the words from " of any " to " of this Act " there shall be substituted: —

“(a) of any abortive exploration expenditure allowable under section 5 of this Act, or

(b) of any exploration and appraisal expenditure allowable under section 5A of this Act”.

(2) In paragraph 1(3) of that Schedule, after the words " section 5 " there shall be added the words " or, as the case may be, section 5A. "

*The Petroleum Revenue Tax Act 1980*

7 In the Schedule to the Petroleum Revenue Tax Act 1980 (computation of payment on account) in paragraph 2(4) for the words " or (d) " there shall be substituted the words " (d) or (f) " .

*The Finance Act 1980*

8 In Schedule 17 to the Finance Act 1980 (transfers of interests in oil fields) after paragraph 16 (abortive exploration expenditure) there shall be inserted—



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*“Exploration and appraisal expenditure*

- 16A In relation to exploration and appraisal expenditure to which section 5A applies, paragraph 16 above has effect as if any reference therein to section 5 were a reference to section 5A.”

*The Finance Act 1981*

- 9 In section 111 of the Finance Act 1981 (restriction of expenditure supplement) in subsection (3)(a) after the words " abortive exploration expenditure " there shall be added the words " exploration and appraisal expenditure. "

**PART III**

RECEIPTS TO BE SET AGAINST ALLOWABLE EXPENDITURE

- 10 In this Part of this Schedule—
- "allowable expenditure" means expenditure which, in accordance with section 5 or section 5A of the principal Act, is allowable on a claim made by a participator under Schedule 7 to that Act; and
- " qualifying receipt" means a sum the amount of which falls, by virtue of subsection (6) of section 5 of the principal Act, to be applied by way of reduction in the amount of expenditure which would otherwise be allowable expenditure.
- 11 (1) A return made by a participator for a chargeable period under paragraph 2 of Schedule 2 to the principal Act shall give details of any qualifying receipt (whether received by him or by a person connected with him) of which details have not been given in a return made by him for an earlier chargeable period.
- (2) Section 533 of the Taxes Act (connected persons) applies for the purposes of this paragraph.
- 12 (1) This paragraph applies where—
- (a) a claim for allowable expenditure has been made by a participator under Schedule 7 to the principal Act; and
- (b) as a result of the receipt (whether before or after the making of the claim) of a qualifying receipt, the amount allowed by way of allowable expenditure on the claim exceeds what it should have been.
- (2) In determining, in a case where this paragraph applies, the assessable profit or allowable loss accruing to the participator in the chargeable period in which the qualifying receipt is received, the amount of the excess referred to in sub-paragraph (1)(b) above shall be taken into account under section 2 of the principal Act as an amount which is to be included among the positive amounts referred to in subsection (3)(a) of that section.
- (3) In the application of section 9 of the principal Act (limit on amount of tax payable) to a chargeable period in respect of which sub-paragraph (2) above applies, the amount of the excess referred to in sub-paragraph (1)(b) above shall be deducted from the amount which would otherwise be the total ascertained under subsection (2)(a)(ii) of that section and, if the amount of that excess is greater than the amount which would otherwise be that total, that total shall be a negative amount equal to the difference.

SCHEDULE 9

Section 47.

VALUE ADDED TAX, CAR TAX AND CAPITAL  
 TRANSFER TAX CONSOLIDATION AMENDMENTS

*Value added tax and car tax*

- 1 (1) Sections 32(1), 64(1) and 65(2) of and paragraph 1 of Schedule 14 to the Criminal Law Act 1977, sections 31, 32 and 143 of the Magistrates' Courts Act 1980, sections 37, 38, 46, 47, 74 and 75 of the Criminal Justice Act 1982 and any order under section 143 of the said Act of 1980 which alters the sums specified in the definition of " the prescribed sum " in section 32(9) of that Act or section 37(2) of the said Act of 1982 shall extend to Northern Ireland for the purposes of any pecuniary or other penalties which may be imposed under any of the following provisions, namely—
- section 38 of the Finance Act 1972  
 paragraph 22 of Schedule 7 to the Finance Act 1972  
 section 55 of the Finance Act 1973  
 section 16 of the Finance Act 1980.
- (2) In the application of section 31 of the Magistrates' Courts Act 1980 to Northern Ireland—
- (a) the reference in subsection (1) of that section to section 133 of that Act shall be construed as a reference to Article 56 of the Magistrates' Courts (Northern Ireland) Order 1981 ; and
- (b) the references in subsections (1) and (3) of that section to a magistrates' court shall be construed as references to a court of summary jurisdiction.
- 2 For section 44 of the Finance Act 1972 (service of notices) there shall be substituted—
- “44 Any notice, notification, requirement or demand to be served on, given to or made of any person for the purposes of this Act may be served, given or made by sending it by post in a letter addressed to that person at his last or usual residence or place of business.”

*Capital transfer tax*

- 3 In section 37(1)(b) of the Finance Act 1975, after the words " transferred by " there shall be inserted the word " previous " .
- 4 In paragraph 2(2A) of Schedule 4 to that Act, for the words " relevant property " there shall be substituted the words " appropriate property " .
- 5 In paragraph 4(10) of Schedule 5 to that Act, after the words " in this paragraph " there shall be inserted the words " and in section 46(5) of this Act " .
- 6 In section 78(4)(b) of the Finance Act 1976, the words " to the Board " and the words from " or " to " tax)" shall cease to have effect.
- 7 In section 114(6) of that Act, for the words "the said section 37" there shall be substituted the words " section 37 of the said Act of 1975 " .

SCHEDULE 10

Section 48.

REPEALS

**PART I**

MISCELLANEOUS CUSTOMS AND EXCISE

Chapter	Short Title	Extent of Repeal
1964 c. 26.	The Licensing Act 1964.	Section 30(5).
1967 c. 54.	The Finance Act 1967.	In Schedule 7, paragraph 4.
1969 c. 32.	The Finance Act 1969.	Section 1(5). Schedule 7.
1976 c. 66.	The Licensing (Scotland) Act 1976.	Section 22.
1977 c. 45.	The Criminal Law Act 1977.	In Schedule 12, in the entry relating to the Licensing Act 1964, paragraph 1.
1979 c. 2.	The Customs and Excise Management Act 1979.	In section 51(1), the words "within the prescribed area".
1979 c. 4.	The Alcoholic Liquor Duties Act 1979.	Section 92(7).
1980 c. 48.	The Finance Act 1980.	Section 9.
1982 c. 39.	The Finance Act 1982.	In Schedule 5, in part B, paragraph 16(3).

The repeals in the Finance Act 1969, the Alcoholic Liquor Duties Act 1979 and the Finance Act 1980 have effect on the appointed day within the meaning of section 9(2) of this Act.

**PART II**

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Chapter	Short Title	Extent of Repeal
1970 c. 10.	The Income and Corporation Taxes Act 1970.	In section 226(3)(c) the words "(but not before he attains me age of fifty)".
1980 c. 48.	The Finance Act 1980.	In Schedule 12, paragraph 7(2)(aa).
1981 c. 35.	The Finance Act 1981.	Section 53(7).

1. The repeal in section 226(3)(c) of the Income and Corporation Taxes Act 1970 shall be deemed to have come into force on 6th April 1983.
2. The repeals in sections 53, 59, 62 and 63 of the Finance Act 1981 have effect in relation to events occurring on or after 6th April 1983.

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*Status: This is the original version (as it was originally enacted).*

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Chapter	Short Title	Extent of Repeal
1982 c. 39.	The Finance Act 1982.	<p>In section 59, in subsection (4) the words "and (7)" and in subsection (6), paragraph (b).</p> <p>In section 62(6)(a) the words " 53(7),".</p> <p>In section 63(2) the words " 53(7),".</p> <p>In section 77, in subsection (2), the words from " and at the end " onwards.</p> <p>1. The repeal in section 226(3)(c) of the Income and Corporation Taxes Act 1970 shall be deemed to have come into force on 6th April 1983.</p> <p>2. The repeals in sections 53, 59, 62 and 63 of the Finance Act 1981 have effect in relation to events occurring on or after 6th April 1983.</p>

### PART III

#### OIL TAXATION

Chapter	Short Title	Extent of Repeal
1975 c. 22.	The Oil Taxation Act 1975.	In Schedule 7, in paragraph 1, in sub-paragraph (1) the words from " but may not" to the end, and, in sub-paragraph (2) the words " within the time allowed for making the original claim ".
1982 c. 39.	The Finance Act 1982.	In Schedule 19, in paragraph 1(3) the word " nine ".