



Finance Act 1986

1986 CHAPTER 41

PART I

CUSTOMS AND EXCISE AND VALUE ADDED TAX

CHAPTER I

CUSTOMS AND EXCISE

The rates of duty

1 Tobacco products.

- (1) For the Table in Schedule 1 to the ^{M1}Tobacco Products Duty Act 1979 there shall be substituted—

“ TABLE

1.	Cigarettes	An amount equal to 21 per cent. of the retail price plus £30·61 per thousand cigarettes.
2.	Cigars	£47·05 per kilogram.
3.	Hand-rolling tobacco	£49·64 per kilogram.
4.	Other smoking tobacco and chewing tobacco	£24·95 per kilogram.”

- (2) This section shall be deemed to have come into force on 21st March 1986.

Status: Point in time view as at 01/02/1991.

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 1986, PART I. (See end of Document for details)*

Marginal Citations

M1 1979 c. 7.

2 Hydrocarbon oil.

- (1) In section 6(1) of the ^{M2}Hydrocarbon Oil Duties Act 1979 for “£0·1794” (light oil) and “£0·1515” (heavy oil) there shall be substituted “£0·1938” and “£0·1639” respectively.
- (2) In subsection (1) of section 11 of that Act (rebate on heavy oil) for paragraphs (a) and (b) there shall be substituted—
 - “(a) in the case of fuel oil, of £0·0077 a litre less than the rate at which the duty is for the time being chargeable;
 - (b) in the case of gas oil, of £0·0110 a litre less than the rate at which the duty is for the time being chargeable; and
 - (c) in the case of heavy oil other than fuel oil and gas oil, equal to the rate at which the duty is for the time being chargeable.”
- (3) For subsection (2) of section 11 of that Act (definition of types of heavy oil), there shall be substituted—
 - “(2) In this section—

“fuel oil” means heavy oil which contains in solution an amount of asphaltenes of not less than 0·5 per cent. or which contains less than 0·5 per cent. but not less than 0·1 per cent. of asphaltenes and has a closed flash point not exceeding 150½C; and

“gas oil” means heavy oil of which not more than 50 per cent. by volume distils at a temperature not exceeding 240½C and of which more than 50 per cent. by volume distils at a temperature not exceeding 340½C.”
- (4) This section shall be deemed to have come into force at 6 o’clock in the evening of 18th March 1986.

Marginal Citations

M2 1979 c. 5.

3 Vehicles excise duty.

- (1) The ^{M3}Vehicles (Excise) Act 1971 and the ^{M4}Vehicles (Excise) Act (Northern Ireland) 1972 shall be amended in accordance with this section.
- (2) For Part II of Schedule 2 to each of the Acts of 1971 and 1972 (annual rates of duty on hackney carriages) there shall be substituted the provisions set out in Part I of Schedule 1 to this Act.
- (3) In Schedule 4 to each of the Acts of 1971 and 1972 (annual rates of duty on goods vehicles)—

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- (a) in Part I, in sub-paragraph (2) of paragraph 6 (farmer's goods vehicle or showman's goods vehicle having a plated gross weight or a plated train weight) in paragraph (b) (weight exceeding 7.5 tonnes but not exceeding 12 tonnes) for "£135" (which applies to farmers' goods vehicles only) there shall be substituted "£155"; and
 - (b) in Part II, for Tables A(1), C(1) and D(1) (rates for farmers' goods vehicles having plated weight exceeding 12 tonnes) there shall be substituted the Tables set out in Part II of Schedule 1 to this Act.
- (4) In section 16 of the Act of 1971, in subsection (5) (annual rates of duty for trade licences), including that subsection as set out in paragraph 12 of Part I of Schedule 7 to that Act, for "£46" and "£9" there shall be substituted respectively "£70" and "£14".
 - (5) In section 16 of the Act of 1972, in subsection (6) (annual rates of duty for trade licences), including that subsection as set out in paragraph 12 of Part I of Schedule 9 to that Act, for "£46" and "£9" there shall be substituted respectively "£70" and "£14".
 - (6) Subsections (2) and (3) above apply in relation to licences taken out after 18th March 1986; and subsections (4) and (5) above apply in relation to licences taken out after 31st December 1986.
 - (7) The Act of 1971 shall have effect subject to the further amendments in Part I of Schedule 2 to this Act; and the Act of 1972 shall have effect subject to the further amendments in Part II of that Schedule.
 - (8) The amendments made by paragraphs 4 and 9 of Schedule 2 to this Act shall not come into force until 1st January 1987; and the amendments made by paragraphs 5 and 10 of that Schedule shall not have effect with respect to the surrender of licences taken out before that date.

Marginal Citations

- M3** 1971 c. 10.
M4 1972 c. 10. (N.I.).

Other provisions

4 Beer duty: minor amendments.

- (1) In subsection (2) of section 46 of the ^{M5}Alcoholic Liquor Duties Act 1979 (remission or repayment of duty on beer which, having been removed from entered premises, has accidentally become spoilt or otherwise unfit for use)—
 - (a) the word "accidentally" shall be omitted; and
 - (b) after the words "subject to" there shall be inserted "subsection (2A) below and to";and at the end of that subsection there shall be inserted the following subsection—

"(2A) For the purpose of determining the amount of duty to be remitted or repaid under subsection (2) above in respect of any beer, it shall be assumed that, at any material time, the worts of the beer had an original gravity of one degree less than they actually had and that duty on the beer was charged accordingly."

Status: Point in time view as at 01/02/1991.

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- (2) After section 49 of the Alcoholic Liquor Duties Act 1979 there shall be inserted the following section—

“49 Drawback allowable to brewer for sale.

- (1) For the purpose of any claim for drawback by a brewer for sale in respect of duty charged on beer, duty which has been determined in accordance with regulations under section 49(1)(bb) above shall be deemed to be duty which has been paid (whether or not it is in fact paid by the time the claim is made).
- (2) Subject to such conditions as the Commissioners see fit to impose, drawback allowable to a brewer for sale in respect of beer may be set against any amount to which the brewer is chargeable under section 38 above and, in relation to a brewer for sale, any reference in this Act or the Management Act to drawback payable shall be construed accordingly.”

Marginal Citations

M5 1979 c. 4.

5 Warehousing regulations.

Schedule 3 to this Act (which contains amendments about warehousing regulations) shall have effect.

6 Betting duties and bingo duty in Northern Ireland.

- (1) The ^{M6}Betting and Gaming Duties Act 1981 (in this section referred to as “the 1981 Act”) shall have effect subject to the amendments in Part I of Schedule 4 to this Act, being amendments designed to extend to Northern Ireland—
- (a) the provisions of the 1981 Act relating to general betting duty and pool betting duty (in place of the provisions of Part III of the ^{M7}Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972 relating to those duties); and
- (b) the provisions of the 1981 Act relating to bingo duty.
- (2) Part II of Schedule 4 to this Act shall have effect for the purpose of making consequential amendments of certain Northern Ireland legislation; and Part III of that Schedule shall have effect for the purpose of extending to Northern Ireland certain subordinate legislation made under the 1981 Act.
- (3) Schedule 4 to this Act,—
- (a) so far as it relates to general betting duty or pool betting duty, shall come into force on the betting commencement date, but shall not have effect in relation to duty in respect of bets made before that date; and
- (b) so far as it relates to bingo duty, shall come into force on the bingo commencement date, but shall not impose any charge to duty in respect of bingo played in Northern Ireland before that date.
- (4) Part III of the ^{M8}Miscellaneous Transferred Excise Duties Act (Northern Ireland) 1972 shall cease to have effect on the betting commencement date except in relation to duty in respect of bets made before that date.

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(5) In this section and Schedule 4 to this Act—

“the betting commencement date” means 29th September 1986 or, if later, the day appointed for the coming into operation of Part II (betting) of the ^{M9}Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985; and

“the bingo commencement date” means 29th September 1986 or, if later, the day appointed for the coming into operation of Chapter II of Part III (gaming on bingo club premises) of that Order.

Marginal Citations

- M6** 1981 c. 63.
M7 1972 c. 11 (N.I.).
M8 1972 c. 11 (N.I.).
M9 S.I. 1985/1204 (N.I. 11).

7 Betting and gaming duties: evidence by certificate, etc.

After section 29 of the ^{M10}Betting and Gaming Duties Act 1981 there shall be inserted the following section—

“29A Evidence by certificate, etc.

- (1) A certificate of the Commissioners—
- that any notice required by or under this Act to be given to them had or had not been given at any date, or
 - that any permit, licence or authority required by or under this Act had or had not been issued at any date, or
 - that any return required by or under this Act had not been made at any date, or
 - that any duty shown as due in any return or estimate made in pursuance of this Act had not been paid at any date,
- shall be sufficient evidence of that fact until the contrary is proved.
- (2) A photograph of any document furnished to the Commissioners for the purposes of this Act and certified by them to be such a photograph shall be admissible in any proceedings, whether civil or criminal, to the same extent as the document itself.
- (3) Any document purporting to be a certificate under subsection (1) or (2) above shall be deemed to be such a certificate until the contrary is proved.”

Marginal Citations

- M10** 1981 c. 63.

Status: Point in time view as at 01/02/1991.

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8 Licences under the customs and excise Acts.

- (1) No excise licence duty shall be chargeable on the grant after 18th March 1986 of an excise licence under any of the provisions of the ^{M11}Alcoholic Liquor Duties Act 1979 (licensing of various activities relating to the production of alcoholic liquor) or under section 2 of the ^{M12}Matches and Mechanical Lighters Duties Act 1979 (licensing of manufacture of matches).
- (2) The following enactments shall cease to have effect—
 - (a) sections 12(2), 18(3), 47(3), 48(2) and 75(3) of the Alcoholic Liquor Duties Act 1979 and section 2(2) of the Matches and Mechanical Lighters Duties Act 1979 (which provide for certain excise licences, the duty on which is abolished by subsection (1) above, to expire on a specific date in each year); and
 - (b) section 81 of the Alcoholic Liquor Duties Act 1979 (under which a licence is required for the keeping or using of a still by any person otherwise than as a distiller, rectifier or compounder).
- (3) The holder of a licence under any of the enactments specified in subsection (5) below may surrender the licence to the Commissioners of Customs and Excise at any time.
- (4) The Commissioners of Customs and Excise may at any time revoke a licence granted in respect of any premises under any of the enactments specified in subsection (5) below if it appears to them that the holder of the licence has ceased to carry on at those premises the activity in respect of which the licence was granted.
- (5) The enactments referred to in subsections (3) and (4) above are—
 - (a) section 12 of the Alcoholic Liquor Duties Act 1979 (distillers),
 - (b) section 18 of that Act (rectifiers),
 - (c) section 47 of that Act (brewers),
 - (d) section 48 of that Act (persons using premises for adding solutions to beer),
 - (e) section 54 of that Act (wine producers),
 - (f) section 55 of that Act (made-wine producers), and
 - (g) section 2 of the ^{M13}Matches and Mechanical Lighters Duties Act 1979 (match manufacturers).
- (6) Schedule 5 to this Act shall have effect for the purpose of supplementing the provisions of this section.

Marginal Citations

M11 1979 c. 4.

M12 1979 c. 6.

M13 1979 c. 6.

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1986, PART I. (See end of Document for details)

CHAPTER II

VALUE ADDED TAX

9 Fuel for private use.

- (1) The provisions of this section apply where, in any prescribed accounting period beginning after 6th April 1987, fuel which is or has previously been supplied to or imported or manufactured by a taxable person in the course of his business—
 - (a) is provided or to be provided by the taxable person to an individual for private use in his own vehicle or a vehicle allocated to him and is so provided by reason of that individual's employment; or
 - (b) where the taxable person is an individual, is appropriated or to be appropriated by him for private use in his own vehicle; or
 - (c) where the taxable person is a partnership, is provided or to be provided to any of the individual partners for private use in his own vehicle.
- (2) For the purposes of this section fuel shall not be regarded as provided to any person for his private use if it is supplied at a price which,—
 - (a) in the case of fuel supplied to or imported by the taxable person, is not less than the price at which it was so supplied or imported; and
 - (b) in the case of fuel manufactured by the taxable person, is not less than the aggregate of the cost of the raw material and of manufacturing together with any excise duty thereon.
- (3) For the purposes of this section and Schedule 6 to this Act—
 - (a) "fuel for private use" means fuel which, having been supplied to or imported or manufactured by a taxable person in the course of his business, is or is to be provided or appropriated for private use as mentioned in subsection (1) above;
 - (b) any reference to an individual's own vehicle shall be construed as including any vehicle of which for the time being he has the use, other than a vehicle allocated to him;
 - (c) subject to subsection (9) below, a vehicle shall at any time be taken to be allocated to an individual if at that time it is made available (without any transfer of the property in it) either to the individual himself or to any other person, and is so made available by reason of the individual's employment and for private use; and
 - (d) fuel provided by an employer to an employee and fuel provided to any person for private use in a vehicle which, by virtue of paragraph (c) above, is for the time being taken to be allocated to the employee shall be taken to be provided to the employee by reason of his employment.
- (4) Where under section 29 of the principal Act any bodies corporate are treated as members of a group, any provision of fuel by a member of the group to an individual shall be treated for the purposes of this section as provision by the representative member.
- (5) In relation to the taxable person, tax on the supply or importation of fuel for private use shall be treated for the purposes of the principal Act as input tax, notwithstanding that the fuel is not used or to be used for the purposes of a business carried on by the taxable person (and, accordingly, no apportionment of tax shall fall to be made under section 14(4) of that Act by reference to fuel for private use).

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- (6) At the time at which fuel for private use is put into the fuel tank of an individual's own vehicle or of a vehicle allocated to him, the fuel shall be treated for the purposes of the principal Act as supplied to him by the taxable person in the course or furtherance of his business for a consideration determined in accordance with subsection (7) below (and, accordingly, where the fuel is appropriated by the taxable person to his own private use, he shall be treated as supplying it to himself in his private capacity).
- (7) In any prescribed accounting period of the taxable person in which, by virtue of subsection (6) above, he is treated as supplying fuel for private use to an individual, the consideration for all the supplies made to that individual in that period in respect of any one vehicle shall be that which, by virtue of Schedule 6 to this Act, is appropriate to a vehicle of that description, and that consideration shall be taken to be inclusive of tax.
- (8) In any case where,—
- (a) in any prescribed accounting period, fuel for private use is, by virtue of subsection (6) above, treated as supplied to an individual in respect of one vehicle for a part of the period and in respect of another vehicle for another part of the period; and
 - (b) at the end of that period one of those vehicles neither belongs to him nor is allocated to him,
- subsection (7) above shall have effect as if the supplies made to the individual during those parts of the period were in respect of only one vehicle.
- (9) In any prescribed accounting period a vehicle shall not be regarded as allocated to an individual by reason of his employment if—
- (a) in that period it was made available to, and actually used by, more than one of the employees of one or more employers and, in the case of each of them, it was made available to him by reason of his employment but was not in that period ordinarily used by any one of them to the exclusion of the others; and
 - (b) in the case of each of the employees, any private use of the vehicle made by him in that period was merely incidental to his other use of it in that period; and
 - (c) it was in that period not normally kept overnight on or in the vicinity of any residential premises where any of the employees was residing, except while being kept overnight on premises occupied by the person making the vehicle available to them.
- (10) In this section and Schedule 6 to this Act—
- “employment” includes any office; and related expressions shall be construed accordingly;
- “the principal Act” means the ^{M14}Value Added Tax Act 1983;
- “vehicle” means a mechanically propelled road vehicle other than—
- (a) a motor cycle as defined in [^{F1}section 185(1) of the Road Traffic Act 1988] or, for Northern Ireland, in Article 37(1)(f) of the ^{M15}Road Traffic (Northern Ireland) Order 1981, or
 - (b) an invalid carriage as defined in [^{F1}that section] or, for Northern Ireland, in Article 37(1)(g) of that Order.
- (11) This section and Schedule 6 to this Act shall be construed as one with the principal Act.

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Textual Amendments

- F1** Words substituted by virtue of Road Traffic (Consequential Provisions Act 1988 (c. 54, SIF 107:1), s. 4, **Sch. 3 para. 32** (the substitution being expressed to be in the definition of "motor vehicles")

Marginal Citations

- M14** 1983 c. 55.
M15 S.I. 1981/154 (N.I. 1).

10 Registration of two or more persons as one taxable person.

- (1) In Schedule 1 to the ^{M16}Value Added Tax Act 1983 (registration) after paragraph 1 there shall be inserted the following paragraph—

- “1A (1) Without prejudice to paragraph 1 above, if the Commissioners make a direction under this paragraph, the persons named in the direction shall be treated as a single taxable person carrying on the activities of a business described in the direction and that taxable person shall be liable to be registered with effect from the date of the direction or, if the direction so provides, from such later date as may be specified therein.
- (2) The Commissioners shall not make a direction under this paragraph naming any person unless they are satisfied—
- that he is making or has made taxable supplies; and
 - that the activities in the course of which he makes or made those taxable supplies form only part of certain activities which should properly be regarded as those of the business described in the direction, the other activities being carried on concurrently or previously (or both) by one or more other persons; and
 - that, if all the taxable supplies of that business were taken into account, a person carrying on that business would at the time of the direction be liable to be registered by virtue of paragraph 1 above; and
 - that the main reason or one of the main reasons for the person concerned carrying on the activities first referred to in paragraph (b) above in the way he does is the avoidance of a liability to be registered (whether that liability would be his, another person's or that of two or more persons jointly).
- (3) A direction made under this paragraph shall be served on each of the persons named in it.
- (4) Where, after a direction has been given under this paragraph specifying a description of business, it appears to the Commissioners that a person who was not named in that direction is making taxable supplies in the course of activities which should properly be regarded as part of the activities of that business, the Commissioners may make and serve on him a supplementary direction referring to the earlier direction and the description of business specified in it and adding that person's name to those of the persons named in the earlier direction with effect from—
- the date on which he began to make those taxable supplies, or

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- (b) if it was later, the date with effect from which the single taxable person referred to in the earlier direction became liable to be registered.
- (5) If, immediately before a direction (including a supplementary direction) is made under this paragraph, any person named in the direction is registered in respect of the taxable supplies made by him as mentioned in sub-paragraph (2) or sub-paragraph (4) above, he shall cease to be liable to be so registered with effect from whichever is the later of—
- (a) the date with effect from which the single taxable person concerned became liable to be registered; and
 - (b) the date of the direction.
- (6) In relation to a business specified in a direction under this paragraph, the persons named in the direction, together with any person named in a supplementary direction relating to that business (being the persons who together are to be treated as the taxable person), are in sub-paragraphs (7) and (8) below referred to as “the constituent members”.
- (7) Where a direction is made under this paragraph then, for the purposes of this Act,—
- (a) the taxable person carrying on the business specified in the direction shall be registerable in such name as the persons named in the direction may jointly nominate by notice in writing given to the Commissioners not later than fourteen days after the date of the direction or, in default of such a nomination, in such name as may be specified in the direction;
 - (b) any supply of goods or services by or to one of the constituent members in the course of the activities of the taxable person shall be treated as a supply by or to that person;
 - (c) each of the constituent members shall be jointly and severally liable for any tax due from the taxable person;
 - (d) without prejudice to paragraph (c) above, any failure by the taxable person to comply with any requirement imposed by or under this Act shall be treated as a failure by each of the constituent members severally; and
 - (e) subject to paragraphs (a) to (d) above, the constituent members shall be treated as a partnership carrying on the business of the taxable person and any question as to the scope of the activities of that business at any time shall be determined accordingly.
- (8) If it appears to the Commissioners that any person who is one of the constituent members should no longer be regarded as such for the purposes of paragraphs (c) and (d) of sub-paragraph (7) above and they give notice to that effect, he shall not have any liability by virtue of those paragraphs for anything done after the date specified in that notice and, accordingly, on that date he shall be treated as having ceased to be a member of the partnership referred to in paragraph (e) of that sub-paragraph.”
- (2) In section 40 of the ^{M17}Value Added Tax Act 1983 (appeals), in subsection (1), after paragraph (h) there shall be inserted the following paragraph—

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“(hh) any direction or supplementary direction made under paragraph 1A of Schedule 1 to this Act”.

(3) In the said section 40, for the words from the beginning of subsection (3A) to “paragraph (m) above” there shall be substituted—

“(3A) Where there is an appeal against a decision to make such a direction as is mentioned in subsection (1)(hh) above, the tribunal shall not allow the appeal unless it considers that the Commissioners could not reasonably have been satisfied as to the matters in paragraphs (a) to (d) of subparagraph (2) of paragraph 1A of Schedule 1 to this Act or, as the case may be, as to the matters in sub-paragraph (4) of that paragraph.

(3B) Where, on an appeal against a decision with respect to any of the matters mentioned in subsection (1)(m) above”.

Marginal Citations

M16 1983 c. 55.

M17 1983 c. 55.

11 Long-stay accommodation.

(1) In paragraph 9 of Schedule 4 to the Value Added Tax Act 1983 (reduced value provision applicable to supply of accommodation in hotels etc. for periods exceeding four weeks) for the words preceding paragraph (a) there shall be substituted—

“(1) This paragraph applies where a supply of services consists in the provision of accommodation falling within paragraph (a) of item 1 of Group 1 in Schedule 6 to this Act and—

- (a) that provision is made to an individual for a period exceeding four weeks; and
- (b) throughout that period the accommodation is provided for the use of the individual either alone or together with one or more other persons who occupy the accommodation with him otherwise than at their own expense (whether incurred directly or indirectly).

(2) Where this paragraph applies”.

(2) This section applies to a supply of services on or after 1st November 1986.

12 Conditions for zero-rating of goods exported etc.

(1) In section 16 of the ^{M18}Value Added Tax Act 1983 (zero-rating) at the end of subsection (6) (goods exported or shipped as stores, etc.) there shall be added the words “and, in either case, if such other conditions, if any, as may be specified in regulations or the Commissioners may impose are fulfilled.”

(2) In subsection (9) of that section—

- (a) after the words “zero-rated” there shall be inserted “by virtue of subsection (6) above or”;
 - (b) in paragraph (a) after the word “exported” there shall be inserted “or shipped”;
- and

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- (c) in paragraph (b) for the word “regulations” there shall be substituted “relevant regulations under subsection (6), (7) or (8) above”.

Marginal Citations

M18 1983 c. 55.

13 Transfer of import relief.

In section 19 of the Value Added Tax Act 1983 (relief from tax on importation of goods to give effect to international agreements etc.) after subsection (1) there shall be inserted the following subsection—

“(1A) In any case where—

- (a) it is proposed that goods which have been imported by any person (in this subsection referred to as “the original importer”) with the benefit of relief under subsection (1) above shall be transferred to another person (in this subsection referred to as “the transferee”) and
- (b) on an application made by the transferee, the Commissioners direct that this subsection shall apply,

this Act shall have effect as if, on the date of the transfer of the goods (and in place of the transfer), the goods were exported by the original importer and imported by the transferee and, accordingly, where appropriate, provision made under subsection (1) above shall have effect in relation to the tax chargeable on the importation of the goods by the transferee.”

14 Penalty for tax evasion: liability of directors etc.

(1) Where it appears to the Commissioners—

- (a) that a body corporate is liable to a penalty under section 13 of the ^{M19}Finance Act 1985 (civil penalty for value added tax evasion where conduct involves dishonesty), and
- (b) that the conduct giving rise to that penalty is, in whole or in part, attributable to the dishonesty of a person who is, or at the material time was, a director or managing officer of the body corporate (in this section referred to as a “named officer”), the Commissioners may serve a notice under this section on the body corporate and on the named officer.

(2) A notice under this section shall state—

- (a) the amount of the penalty referred to in subsection (1)(a) above (in this section referred to as “the basic penalty”); and
- (b) that the Commissioners propose, in accordance with this section, to recover from the named officer such portion (which may be the whole) of the basic penalty as is specified in the notice.

(3) Where a notice is served under this section, the portion of the basic penalty specified in the notice shall be recoverable from the named officer as if he were personally liable under section 13 of the ^{M20}Finance Act 1985 to a penalty which corresponds to that portion; and the amount of that penalty may be assessed and notified to him accordingly under section 21 of that Act.

(4) Where a notice is served under this section,—

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- (a) the amount which, under section 21 of the Finance Act 1985, may be assessed as the amount due by way of penalty from the body corporate shall be only so much (if any) of the basic penalty as is not assessed on and notified to a named officer by virtue of subsection (3) above; and
 - (b) the body corporate shall be treated as discharged from liability for so much of the basic penalty as is so assessed and notified.
- (5) No appeal shall lie against a notice under this section as such but—
- (a) where a body corporate is assessed as mentioned in subsection (4)(a) above, the body corporate may appeal against the Commissioners' decision as to its liability to a penalty and against the amount of the basic penalty as if it were specified in the assessment; and
 - (b) where an assessment is made on a named officer by virtue of subsection (3) above, the named officer may appeal against the Commissioners' decision that the conduct of the body corporate referred to in subsection (1)(b) above is, in whole or part, attributable to his dishonesty and against their decision as to the portion of the penalty which the Commissioners propose to recover from him.
- (6) For the purposes of the ^{M21}Value Added Tax Act 1983, any appeal brought by virtue of subsection (5) above shall be treated as an appeal under section 40 of that Act; and the reference in subsection (1A) of that section to an amount assessed by way of penalty includes a reference to an amount assessed by virtue of subsection (3) or subsection (4)(a) above.
- (7) The provisions that may be included in rules under paragraph 9 of Schedule 8 to the ^{M22}Value Added Tax 1983 (procedure on appeals to value added tax tribunals) include provision with respect to the joinder of appeals brought by different persons where a notice is served under this section and the appeals relate to, or to different portions of, the basic penalty referred to in the notice.
- (8) In this section a “managing officer”, in relation to a body corporate, means any manager, secretary or other similar officer of the body corporate or any person purporting to act in any such capacity or as a director; and where the affairs of a body corporate are managed by its members, this section shall apply in relation to the conduct of a member in connection with his functions of management as if he were a director of the body corporate.
- (9) This section does not apply where the conduct of the body corporate giving rise to the penalty took place before the passing of this Act.

Marginal Citations

- M19** 1985 c. 54.
- M20** 1985 c. 54.
- M21** 1983 c. 55.
- M22** 1983 c. 55.

15 Breaches of Treasury orders etc.

- (1) In section 17 of the ^{M23}Finance Act 1985 (civil penalties for breaches of regulatory provisions under the Value Added Tax Act 1983) at the end of paragraph (c) of subsection (1) there shall be inserted “or
 - (d) any order made by the Treasury under that Act; or

Status: Point in time view as at 01/02/1991.

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 1986, PART I. (See end of Document for details)*

- (e) any regulations made under the European Communities Act 1972 and relating to value added tax”.
- (2) At the end of subsection (4)(b) of that section (previous failures before the passing of the 1985 Act to be disregarded in determining rate of daily penalty) there shall be added “or, in the case of a requirement falling within paragraph (d) or paragraph (e) of subsection (1) above, before the passing of the Finance Act 1986”.

Marginal Citations

M23 [1985 c. 54.](#)

Status:

Point in time view as at 01/02/1991.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1986, PART I.