



Finance Act 1995

1995 CHAPTER 4

PART I

DUTIES OF EXCISE

Alcoholic liquor duties

1 Low-strength wine, made-wine and cider.

- (1) The ^{MI}Alcoholic Liquor Duties Act 1979 shall be amended as follows.
- (2) In section 1 (the alcoholic liquors dutiable under the Act) in subsections (4) and (5) (definitions of “wine” and “made-wine”) after the words “any liquor” there shall in both cases be inserted “ which is of a strength exceeding 1.2 per cent and which is ”.
- ^{F1}(3)
- (4) In section 59(1) (prohibition on rendering wine and made-wine sparkling) for paragraph (b) there shall be substituted the following paragraph—

“(b) is wine or made-wine of a strength exceeding 5.5 per cent.”.
- (5) Subsections (2) and (4) above—
 - (a) shall apply in relation to liquor imported into, or produced in, the United Kingdom on or after 1st January 1995, and
 - (b) as regards any provision about liquor removed to the United Kingdom from the Isle of Man, shall also apply in relation to liquor so removed on or after that date.
- (6) Subsection (3) above shall apply in relation to liquor imported into, or made in, the United Kingdom on or after 1st January 1995.

*Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)*

Textual Amendments

F1 S. 1(3) omitted (1.9.2010) by virtue of [The Alcoholic Liquor Duties \(Definition of Cider\) Order 2010](#) (S.I. 2010/1914), arts. 1(2), **3(b)** (with art. 1(3))

Marginal Citations

M1 1979 c. 4.

2 Wine and made-wine: rates.

(1) For the Table of rates of duty in Schedule 1 to the ^{M2}Alcoholic Liquor Duties Act 1979 (wine and made-wine) there shall be substituted the Table in Schedule 1 to this Act.

(2) This section shall be deemed to have come into force on 1st January 1995.

Commencement Information

I1 S. 2 in force on 1.1.1995: see s. 2(2).

Marginal Citations

M2 1979 c. 4.

3 Spirits, beer and cider: rates.

(1) In section 5 of the ^{M3}Alcoholic Liquor Duties Act 1979 (spirits) for “£19.81” there shall be substituted “ £20.60 ”.

(2) In section 36(1) of that Act (beer) for “£10.45” there shall be substituted “ £10.82 ”.

(3) In section 62(1) of that Act (cider) for “£22.82” there shall be substituted “ £23.78 ”.

(4) This section shall be deemed to have come into force on 1st January 1995.

Commencement Information

I2 S. 3 in force on 1.1.1995: see s. 3(4).

Marginal Citations

M3 1979 c. 5.

^{F24} Alcoholic ingredients relief.

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Textual Amendments

F2 S. 4 repealed (1.8.2023) by [Finance \(No. 2\) Act 2023](#) (c. 30), ss. **113(2)(a)**, 120(2); S.I. 2023/884, reg. 2(1)(i) (with regs. 3(1), 4, 9, 10)

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

F³ 5 Denatured alcohol.

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Textual Amendments

- F3** S. 5 repealed (1.8.2023) by Finance (No. 2) Act 2023 (c. 30), ss. 113(2)(b), 120(2); S.I. 2023/884, reg. 2(1)(i) (with regs. 3(1), 4, 9, 10)

Hydrocarbon oil duties

6 Rates of duty.

- (1) In section 6(1) of the ^{M4}Hydrocarbon Oil Duties Act 1979 for “£0.3314” (duty on light oil) and “£0.2770” (duty on heavy oil) there shall be substituted “ £0.3526 ” and “ £0.3044 ” respectively.
- (2) In section 8 of that Act (duty on road fuel gas) the following subsection shall be substituted for subsections (3) to (5)—
 - “(3) The rate of the duty under this section shall be £0.3314 a kilogram.”
- (3) In section 11(1) of that Act (rebate on heavy oil) for “£0.0116” (fuel oil) and “£0.0164” (gas oil) there shall be substituted “ £0.0166 ” and “ £0.0214 ” respectively.
- (4) In section 14(1) of that Act (rebate on light oil for use as furnace fuel) for “£0.0116” there shall be substituted “ £0.0166 ”.
- (5) This section shall be deemed to have come into force at 6 o’clock in the evening of 29th November 1994.

Commencement Information

- I3** S. 6 in force at 6 p.m. 29.11.1994: see s. 6(5).

Marginal Citations

- M4** 1979 c. 5.

7 Rates of duty: further provisions.

- (1) In section 6(1) of the Hydrocarbon Oil Duties Act 1979, as amended by section 6 above, for “£0.3526” (duty on light oil) and “£0.3044” (duty on heavy oil) there shall be substituted “ £0.3614 ” and “ £0.3132 ” respectively.
- (2) This section shall be deemed to have come into force on 1st January 1995.

Commencement Information

- I4** S. 7 in force on 1.1.1995: see s. 7(2).

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

8 Hydrocarbon oil: “road vehicle”.

- (1) In the definition of “road vehicle” in section 27(1) of the Hydrocarbon Oil Duties Act 1979 (road vehicle not to include vehicle of a kind specified in Schedule 1) for the words “of a kind specified in Schedule 1 to this Act” there shall be substituted “which is an excepted vehicle within the meaning given by Schedule 1 to this Act.”
- (2) The following Schedule shall be substituted for Schedule 1 to that Act—

“SCHEDULE 1

EXCEPTED VEHICLES

Unlicensed vehicles not used on public roads

- 1 (1) A vehicle is an excepted vehicle while—
- (a) it is not used on a public road, and
 - (b) no licence under the ^{M5}Vehicle Excise and Registration Act 1994 is in force in respect of it.
- (2) A vehicle in respect of which there is current a certificate or document in the form of a licence issued under regulations under section 22(2) of the Vehicle Excise and Registration Act 1994 shall be treated for the purposes of sub-paragraph (1) above as a vehicle in respect of which a licence under that Act is in force.

Tractors

- 2 (1) A vehicle is an excepted vehicle if it is—
- (a) an agricultural tractor, or
 - (b) an off-road tractor.
- (2) In sub-paragraph (1) above “agricultural tractor” means a tractor used on public roads solely for purposes relating to agriculture, horticulture, forestry or activities falling within sub-paragraph (3) below.
- (3) The activities falling within this sub-paragraph are—
- (a) cutting verges bordering public roads;
 - (b) cutting hedges or trees bordering public roads or bordering verges which border public roads.
- (4) In sub-paragraph (1) above “off-road tractor” means a tractor which is not an agricultural tractor (within the meaning given by sub-paragraph (2) above) and which is—
- (a) designed and constructed primarily for use otherwise than on roads, and
 - (b) incapable by reason of its construction of exceeding a speed of twenty-five miles per hour on the level under its own power.

Light agricultural vehicles

- 3 (1) A vehicle is an excepted vehicle if it is a light agricultural vehicle.

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- (2) In sub-paragraph (1) above “light agricultural vehicle” means a vehicle which—
- (a) has a revenue weight not exceeding 1,000 kilograms,
 - (b) is designed and constructed so as to seat only the driver,
 - (c) is designed and constructed primarily for use otherwise than on roads, and
 - (d) is used solely for purposes relating to agriculture, horticulture or forestry.
- (3) In sub-paragraph (2)(a) above “revenue weight” has the meaning given by section 60A of the ^{M6}Vehicle Excise and Registration Act 1994.

Agricultural engines

- 4 An agricultural engine is an excepted vehicle.

Vehicles used between different parts of land

- 5 A vehicle is an excepted vehicle if—
- (a) it is used only for purposes relating to agriculture, horticulture or forestry,
 - (b) it is used on public roads only in passing between different areas of land occupied by the same person, and
 - (c) the distance it travels on public roads in passing between any two such areas does not exceed 1.5 kilometres.

Mowing machines

- 6 A mowing machine is an excepted vehicle.

Snow clearing vehicles

- 7 A vehicle is an excepted vehicle when it is—
- (a) being used, or
 - (b) going to or from the place where it is to be or has been used,
- for the purpose of clearing snow from public roads by means of a snow plough or similar device (whether or not forming part of the vehicle).

Gritters

- 8 A vehicle is an excepted vehicle if it is constructed or adapted, and used, solely for the conveyance of machinery for spreading material on roads to deal with frost, ice or snow (with or without articles or material used for the purposes of the machinery).

Mobile cranes

- 9 (1) A mobile crane is an excepted vehicle.
- (2) In sub-paragraph (1) above “mobile crane” means a vehicle which is designed and constructed as a mobile crane and which—

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- (a) is used on public roads only as a crane in connection with work carried on at a site in the immediate vicinity or for the purpose of proceeding to and from a place where it is to be or has been used as a crane, and
- (b) when so proceeding does not carry any load except such as is necessary for its propulsion or equipment.

Digging machines

- 10 (1) A digging machine is an excepted vehicle.
- (2) In sub-paragraph (1) above “digging machine” means a vehicle which is designed, constructed and used for the purpose of trench digging, or any kind of excavating or shovelling work, and which—
- (a) is used on public roads only for that purpose or for the purpose of proceeding to and from the place where it is to be or has been used for that purpose, and
 - (b) when so proceeding does not carry any load except such as is necessary for its propulsion or equipment.

Works trucks

- 11 (1) A works truck is an excepted vehicle.
- (2) In sub-paragraph (1) above “works truck” means a goods vehicle which is designed for use in private premises and is used on public roads only—
- (a) for carrying goods between private premises and a vehicle on a road within one kilometre of those premises,
 - (b) in passing from one part of private premises to another,
 - (c) in passing between private premises and other private premises in a case where the premises are within one kilometre of each other, or
 - (d) in connection with road works at the site of the works or within one kilometre of the site of the works.
- (3) In sub-paragraph (2) above “goods vehicle” means a vehicle constructed or adapted for use and used for the conveyance of goods or burden of any description, whether in the course of trade or not.

Road construction vehicles

- 12 (1) A vehicle is an excepted vehicle if it is—
- (a) a road construction vehicle, and
 - (b) used or kept solely for the conveyance of built-in road construction machinery (with or without articles or material used for the purposes of the machinery).
- (2) In sub-paragraph (1) above “road construction vehicle” means a vehicle—
- (a) which is constructed or adapted for use for the conveyance of built-in road construction machinery, and
 - (b) which is not constructed or adapted for the conveyance of any other load except articles and material used for the purposes of such machinery.

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(3) In sub-paragraphs (1) and (2) above “built-in road construction machinery”, in relation to a vehicle, means road construction machinery built in as part of, or permanently attached to, the vehicle.

(4) In sub-paragraph (3) above “road construction machinery” means a machine or device suitable for use for the construction or repair of roads and used for no purpose other than the construction or repair of roads.

Road rollers

13 A road roller is an excepted vehicle.

Interpretation

14 In this Schedule “public road” means a road which is repairable at the public expense.”

(3) This section shall come into force on 1st July 1995.

Commencement Information

I5 S. 8 in force on 1.7.1995: see s. 8(3).

Marginal Citations

M5 1994 c. 22.

M6 1994 c. 22.

9 Road fuel gas: old stock.

In section 8 of the ^{M7}Hydrocarbon Oil Duties Act 1979 (road fuel gas) subsection (7) (no charge on use of gas if delivered or stocked before 3rd July 1972) shall be omitted.

Marginal Citations

M7 1979 c. 5.

Tobacco products duty

10 Rates of duty.

(1) For the Table of rates of duty in Schedule 1 to the ^{M8}Tobacco Products Duty Act 1979 there shall be substituted—

“ TABLE

1. Cigarettes	An amount equal to 20 per cent. of the retail price plus £55.58 per thousand cigarettes.
2. Cigars	£82.56 per kilogram.
3. Hand-rolling tobacco	£85.94 per kilogram.

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4. Other smoking tobacco and chewing tobacco £36.30 per kilogram.”

(2) This section shall be deemed to have come into force at 6 o'clock in the evening of 29th November 1994.

Commencement Information

I6 S. 10 in force at 6 p.m. 29.11.1994: see s. 10(2).

Marginal Citations

M8 1979 c. 7.

11 Rates of duty: further provisions.

(1) For the Table of rates of duty in Schedule 1 to the ^{M9}Tobacco Products Duty Act 1979, as substituted by section 10 above, there shall be substituted—

“ TABLE

1. Cigarettes	An amount equal to 20 per cent. of the retail price plus £57.64 per thousand cigarettes.
2. Cigars	£85.61 per kilogram.
3. Hand-rolling tobacco	£85.94 per kilogram.
4. Other smoking tobacco and chewing tobacco	£37.64 per kilogram.”

(2) This section shall be deemed to have come into force on 1st January 1995.

Commencement Information

I7 S. 11 in force on 1.1.1995: see s. 11(2).

Marginal Citations

M9 1979 c. 7.

Pool betting duty

12 Pool betting duty.

(1) In section 7(1) of the ^{M10}Betting and Gaming Duties Act 1981 (which specifies 37.50 per cent. as the rate of pool betting duty) for “37.50 per cent.” there shall be substituted “ 32.50 per cent. ”

(2) This section shall apply in relation to any pool betting duty the requirement to pay which takes effect on or after 6th May 1995.

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Marginal Citations

M10 1981 c. 63.

Gaming machine licence duty

13 Rates of duty.

- (1) In the ^{M11}Betting and Gaming Duties Act 1981 for the Table set out at the end of section 23 (amount of duty) there shall be substituted—

TABLE

<i>(1) Period (in months) for which licence granted</i>	<i>(2) Small prize or five- penny machines</i>	<i>(3) Other machines</i>
	£	£
1	60	150
2	105	275
3	155	400
4	205	520
5	250	645
6	295	755
7	340	880
8	390	1,005
9	435	1,115
10	480	1,235
11	510	1,305
12	535	1,375

- (2) This section shall apply in relation to any gaming machine licence for which an application is made on or after 1st December 1994.

Marginal Citations

M11 1981 c. 63.

14 Extension of duty to amusement machines.

- (1) Schedule 3 to this Act (which contains amendments for or in connection with the application of the provisions of the ^{M12}Betting and Gaming Duties Act 1981 relating to gaming machine licence duty to amusement machines that are not gaming

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machines and also makes a consequential amendment of the ^{M13}Customs and Excise Management Act 1979) shall have effect.

- (2) Schedule 3 to this Act shall have effect (subject to subsection (3) below) in relation only to the provision of a machine at a time on or after 1st November 1995 and to licences for periods beginning on or after that date and the duty on such licences.
- (3) Where a gaming machine licence has been granted before 1st November 1995 for a period ending on or after that date, that licence shall have effect on and after that date, for so long as it remains in force, as an amusement machine licence authorising the provision, in accordance with the licence, of the machines the provision of which was authorised by the licence immediately before that date.

Marginal Citations

M12 1981 c. 63.

M13 1979 c. 2.

Air passenger duty

^{F4}15 Rates of duty.

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Textual Amendments

F4 S. 15 omitted (with effect in accordance with Sch. 5 para. 7 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 5 para. 6\(a\)](#)

16 Assessment of interest on duty.

- (1) In Schedule 6 to the ^{M14}Finance Act 1994 (air passenger duty: administration and enforcement) after paragraph 11 there shall be inserted—

Assessment of interest

“11A (1) Where by virtue of paragraph 7 above duty due from any person for an accounting period carries interest, the Commissioners may assess that person to an amount of interest in accordance with this paragraph.

(2) Notice of the assessment shall be given to the person liable for the interest or a representative of his.

(3) The amount of the interest shall be calculated by reference to a period ending on a date (“the due date”) no later than the date of the notice.

(4) The notice shall specify—

- (a) the amount of the duty which carries the interest assessed (“the specified duty”);
- (b) the amount of the interest assessed (“the specified interest”);
- (c) the due date; and

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- (d) a date by which that amount is required to be paid (“the payment date”).
 - (5) Sub-paragraphs (6) and (7) below apply where the specified duty or any part of it is unpaid on the date of the notice.
 - (6) If the unpaid amount or any part of it is paid by the payment date, the payment shall be treated for the purposes of paragraph 7 above as made on the due date.
 - (7) To the extent that the unpaid amount is not paid by the payment date, an assessment may be made under this paragraph in respect of any interest on the unpaid amount which accrues after the due date.
 - (8) For the purposes of sub-paragraphs (6) and (7) above, a payment—
 - (a) which purports to be a payment of the unpaid amount or any part of it, but
 - (b) which is insufficient to discharge both the liability to pay the unpaid amount and the liability to pay the specified interest,shall be treated as made in discharge (or partial discharge) of the liability to pay the specified interest before it is treated as discharging to any extent the liability to pay the unpaid amount.
 - (9) A notice of interest assessed under this paragraph may be combined in one document with notification of an assessment under section 12 of this Act which relates to the specified duty.
 - (10) A notice which is so combined must comply with the requirements of this paragraph which relate to a notice which is not so combined.
 - (11) The specified interest shall be recoverable as if it were duty due from the person assessed to that interest.
 - (12) For the purposes of this paragraph a person is a representative of another if—
 - (a) he is that other’s personal representative;
 - (b) he is that other’s trustee in bankruptcy or is a receiver or liquidator appointed in relation to that other or in relation to any of his property; or
 - (c) he is a person acting in some other representative capacity in relation to that other.”
- (2) In Schedule 5 to the 1994 Act (decisions subject to review and appeal) in paragraph 9 (decisions under Chapter IV of Part I of that Act) the word “and” immediately preceding sub-paragraph (d) shall be omitted and after that sub-paragraph there shall be inserted—
- “(e) any decision with respect to the amount of any interest specified in an assessment under paragraph 11A of Schedule 6;”.
- (3) In section 16 of the 1994 Act (appeals to a tribunal) at the beginning of subsection (8) (meaning of “ancillary matter” for the purposes of that section) there shall be inserted “ Subject to subsection (9) below ” and after that subsection there shall be inserted—

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“(9) References in this section to a decision as to an ancillary matter do not include a reference to a decision of a description specified in paragraph 9(e) of Schedule 5 to this Act.

(10) Nothing in this section shall be taken to confer on an appeal tribunal any power to vary an amount of interest specified in an assessment under paragraph 11A of Schedule 6 to this Act except in so far as it is necessary to reduce it to the amount which is appropriate under paragraph 7 of that Schedule.”

(4) This section shall apply in relation to accounting periods ending on or after 1st January 1995.

Marginal Citations

M14 1994 c. 9.

^{F5}17 Preferential debts.

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Textual Amendments

F5 S. 17 repealed (N.I.) (27.3.2006) by [The Insolvency \(Northern Ireland\) Order 2005 \(S.I. 2005/1455\)](#), art. 1(3), [Sch. 9](#); [S.R. 2006/21](#), art. 2 (subject to [S.R. 2006/22](#), arts. 2-7)

Vehicle excise duty

18 Increased rates on 30th November 1994.

- (1) Schedule 1 to the ^{M15}Vehicle Excise and Registration Act 1994 (annual rates of duty) shall be amended as follows.
- (2) In paragraph 1(b) (rate for vehicle constructed after 1946 and for which no other rate is specified) for “£130” there shall be substituted “ £135 ”.
- (3) In paragraph 3(1)(a) (rate for hackney carriage with seating capacity under nine) for “£130” there shall be substituted “ £135 ”.
- (4) In paragraph 10 (trailer supplement)—
 - (a) in sub-paragraph (2) for “£130” there shall be substituted “ £135 ”;
 - (b) in sub-paragraph (3) for “£360” there shall be substituted “ £370 ”.
- (5) This section shall apply in relation to licences taken out on or after 30th November 1994.

Marginal Citations

M15 1994 c. 22.

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

19 Vehicle excise and registration: other provisions.

Schedule 4 to this Act (which contains other provisions relating to vehicle excise and registration) shall have effect.

Recovery of overpaid duty

20 Recovery of overpaid excise duty.

- (1) In Part X of the ^{M16}Customs and Excise Management Act 1979, after section 137 (recovery of duties, &c.) insert—

“137A Recovery of overpaid excise duty.

- (1) Where a person pays to the Commissioners an amount by way of excise duty which is not due to them, the Commissioners are liable to repay that amount.
 - (2) The Commissioners shall not be required to make any such repayment unless a claim is made to them in such form, and supported by such documentary evidence, as may be prescribed by them by regulations; and regulations under this subsection may make different provision for different cases.
 - (3) It is a defence to a claim for repayment that the repayment would unjustly enrich the claimant.
 - (4) No claim for repayment may be made after the expiry of the period of six years beginning with the date of the payment or, if later, the date on which the claimant (or, where the right to repayment has been assigned or otherwise transmitted, any predecessor in title of his) discovered, or could with reasonable diligence have discovered, that the amount was not due.
 - (5) Except as provided by this section the Commissioners are not liable to repay an amount paid to them by way of excise duty by reason of the fact that it was not due to them.”
- (2) In section 17(5) of the ^{M17}Customs and Excise Management Act 1979, after paragraph (b) (restriction on repayment of sums overpaid in error) insert—
- “Paragraph (b) above does not apply to a claim for repayment under section 137A below.”
- (3) Section 29 of the ^{M18}Finance Act 1989 (recovery of overpaid excise duty and car tax) shall cease to have effect so far as it relates to excise duty.
- (4) In section 14(1) of the ^{M19}Finance Act 1994 (decisions subject to review and appeal), after paragraph (b) insert—
- “(bb) any decision of the Commissioners on a claim under section 137A of the Customs and Excise Management Act 1979 for repayment of excise duty;”
- (5) The provisions of this section have effect in relation to payments made on or after such date as the Commissioners of Customs and Excise may appoint by order made by statutory instrument.

*Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)*

Commencement Information

- I8** S. 20 in force at Royal Assent but shall have effect in relation to payments made on or after 1.12.1995 by S.I. 1995/2892, **art. 2**

Marginal Citations

- M16** 1979 c. 2.
M17 1979 c. 2.
M18 1989 c. 26.
M19 1994 c. 9.

PART II

VALUE ADDED TAX AND INSURANCE PREMIUM TAX

Value added tax

F6 **21**

Textual Amendments

- F6** S. 21 repealed (11.5.2001 with effect as mentioned in s. 99(7) of the amending Act) by 2001 c. 9, s. 110, **Sch. 33 Pt. 3(1)**, Note 2

22 Imported works of art, antiques, etc.

- (1) In subsection (1) of section 21 of the ^{M20}Value Added Tax Act 1994 (value of imported goods), for “and (3)” there shall be substituted “to (4)”; and after subsection (3) there shall be inserted the following subsections—

“(4) For the purposes of this Act, the value of any goods falling within subsection (5) below which are imported from a place outside the member States shall be taken to be an amount equal to 14.29 per cent. of the amount which, apart from this subsection, would be their value for those purposes.

- (5) The goods which fall within this subsection are—

- (a) any work of art which was obtained by any person before 1st April 1973 otherwise than by his producing it himself or by succession on the death of the person who produced it;
- (b) any work of art which was—
- (i) exported from the United Kingdom before 1st April 1973,
 - (ii) exported from the United Kingdom on or after that date and before 1st January 1993 by a person who, had he supplied it in the United Kingdom at the date when it was exported, would not have had to account for VAT on the full value of the supply, or

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- (iii) exported from the United Kingdom on or after 1st January 1993 by such a person to a place which, at the time, was outside the member States,
being, in each case, a work of art which has not been imported between the time when it was exported and the importation in question;
- (c) any antique more than one hundred years old, being neither a work of art nor pearls or loose gem stones; and
- (d) collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological, paleontological or ethnographic interest.
- (6) In this section “work of art” means goods falling within any of the following descriptions, that is to say—
- (a) paintings, drawings and pastels executed by hand but not comprised in manufactured articles that have been hand-painted or hand-decorated;
- (b) original engravings, lithographs and other prints;
- (c) original sculptures and statuary, in any material.
- (7) An order under section 2(2) may contain provision making such alteration of the percentage for the time being specified in subsection (4) above as the Treasury consider appropriate in consequence of any increase or decrease by that order of the rate of VAT.”
- (2) This section shall have effect in relation to goods imported at any time on or after the day on which this Act is passed.

Marginal Citations

M20 1994 c. 23.

23 Agents acting in their own names.

- (1) In subsection (1) of section 47 of the ^{M21}Value Added Tax Act 1994 (agents etc.), for “the goods may” there shall be substituted “ then, if the taxable person acts in relation to the supply in his own name, the goods shall ”.
- (2) After subsection (2) of that section there shall be inserted the following subsection—
- “(2A) Where, in the case of any supply of goods to which subsection (1) above does not apply, goods are supplied through an agent who acts in his own name, the supply shall be treated both as a supply to the agent and as a supply by the agent.”
- (3) In subsection (3) of that section, the words “goods or” shall be omitted.
- (4) This section shall have effect—
- (a) so far as it amends section 47(1) of that Act, in relation to goods acquired or imported on or after the day on which this Act is passed; and
- (b) for other purposes, in relation to any supply taking place on or after that day.

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Marginal Citations

M21 1994 c. 23.

24 Margin schemes.

- (1) After section 50 of the ^{M22}Value Added Tax Act 1994 there shall be inserted the following section—

“50A Margin schemes.

- (1) The Treasury may by order provide, in relation to any such description of supplies to which this section applies as may be specified in the order, for a taxable person to be entitled to opt that, where he makes supplies of that description, VAT is to be charged by reference to the profit margin on the supplies, instead of by reference to their value.
- (2) This section applies to the following supplies, that is to say—
 - (a) supplies of works of art, antiques or collectors’ items;
 - (b) supplies of motor vehicles;
 - (c) supplies of second-hand goods; and
 - (d) any supply of goods through a person who acts as an agent, but in his own name, in relation to the supply.
- (3) An option for the purposes of an order under this section shall be exercisable, and may be withdrawn, in such manner as may be required by such an order.
- (4) Subject to subsection (7) below, the profit margin on a supply to which this section applies shall be taken, for the purposes of an order under this section, to be equal to the amount (if any) by which the price at which the person making the supply obtained the goods in question is exceeded by the price at which he supplies them.
- (5) For the purposes of this section the price at which a person has obtained any goods and the price at which he supplies them shall each be calculated in accordance with the provisions contained in an order under this section; and such an order may, in particular, make provision stipulating the extent to which any VAT charged on a supply, acquisition or importation of any goods is to be treated as included in the price at which those goods have been obtained or are supplied.
- (6) An order under this section may provide that the consideration for any services supplied in connection with a supply of goods by a person who acts as an agent, but in his own name, in relation to the supply of the goods is to be treated for the purposes of any such order as an amount to be taken into account in computing the profit margin on the supply of the goods, instead of being separately chargeable to VAT as comprised in the value of the services supplied.
- (7) An order under this section may provide for the total profit margin on all the goods of a particular description supplied by a person in any prescribed accounting period to be calculated by—

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- (a) aggregating all the prices at which that person obtained goods of that description in that period together with any amount carried forward to that period in pursuance of paragraph (d) below;
 - (b) aggregating all the prices at which he supplies goods of that description in that period;
 - (c) treating the total profit margin on goods supplied in that period as being equal to the amount (if any) by which, for that period, the aggregate calculated in pursuance of paragraph (a) above is exceeded by the aggregate calculated in pursuance of paragraph (b) above; and
 - (d) treating any amount by which, for that period, the aggregate calculated in pursuance of paragraph (b) above is exceeded by the aggregate calculated in pursuance of paragraph (a) above as an amount to be carried forward to the following prescribed accounting period so as to be included, for the period to which it is carried forward, in any aggregate falling to be calculated in pursuance of paragraph (a) above.
- (8) An order under this section may—
- (a) make different provision for different cases; and
 - (b) make provisions of the order subject to such general or special directions as may, in accordance with the order, be given by the Commissioners with respect to any matter to which the order relates.”
- (2) Section 32 of that Act (relief on supply of certain second-hand goods) shall cease to have effect on such day as the Commissioners of Customs and Excise may by order made by statutory instrument appoint.

Marginal Citations

M22 1994 c. 23.

25 Groups of companies.

(1) Section 43 of the ^{M23}Value Added Tax Act 1994 (groups of companies) shall be amended as follows.

(2) [^{F7}After subsection (1) there shall be inserted the following subsection—

“(1A) Paragraph (a) of subsection (1) above shall not apply in relation to any supply of goods or services by one member of a group to another unless both the body making the supply and the body supplied continue to be members of that group until—

- (a) in the case of a supply of goods which are to be removed in pursuance of the supply, a time after the removal;
- (b) in the case of any other supply of goods, a time after the goods have been made available, in pursuance of the supply, to the body supplied; or
- (c) in the case of a supply of services, a time after the services have been performed.”];

and in subsection (1)(b), for “other supply” there shall be substituted “supply which is a supply to which paragraph (a) above does not apply and is a supply”.

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

(3) In subsection (5) (applications to be treated or to cease to be treated as members of a group etc.), for the words after paragraph (d) there shall be substituted—

“unless the Commissioners refuse the application under subsection (5A) below.”

(4) After subsection (5) there shall be inserted the following subsection—

“(5A) If it appears to the Commissioners necessary to do so for the protection of the revenue, they may—

- (a) refuse any application made to the effect mentioned in paragraph (a) or (c) of subsection (5) above; or
- (b) refuse any application made to the effect mentioned in paragraph (b) or (d) of that subsection in a case that does not appear to them to fall within subsection (6) below.”

(5) Subsection (2) above has effect in relation to—

- (a) any supply made on or after 1st March 1995, and
- (b) any supply made before that date in the case of which both the body making the supply and the body supplied continued to be members of the group in question until at least that date,

and subsections (3) and (4) above have effect in relation to applications made on or after the day on which this Act is passed.

Textual Amendments

F7 Words in [s. 25\(2\)](#) repealed (29.4.1996 with effect as mentioned in [s. 31\(5\)](#) of the amending Act) by [1996 c. 8, s. 205, Sch. 41 Pt. IV\(5\)](#)

Marginal Citations

M23 [1994 c. 23.](#)

PROSPECTIVE

F8²⁶ **Co-owners etc. of buildings and land.**

Textual Amendments

F8 [S. 26](#) repealed (with effect in accordance with art. 1(2) of the amending S.I.) by [The Value Added Tax \(Buildings and Land\) Order 2008 \(S.I. 2008/1146\)](#), arts. 1(1), **5(1)** (with [Sch. 2](#))

27 Set-off of credits.

(1) Section 81 of the ^{M24}Value Added Tax Act 1994 (which includes provision as to the setting off of credits) shall be amended as follows.

(2) For subsection (4) there shall be substituted the following subsections—

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- “(4A) Subsection (3) above shall not require any such amount as is mentioned in paragraph (a) of that subsection (“the credit”) to be set against any such sum as is mentioned in paragraph (b) of that subsection (“the debit”) in any case where—
- (a) an insolvency procedure has been applied to the person entitled to the credit;
 - (b) the credit became due after that procedure was so applied; and
 - (c) the liability to pay the debit either arose before that procedure was so applied or (having arisen afterwards) relates to, or to matters occurring in the course of, the carrying on of any business at times before the procedure was so applied.
- (4B) Subject to subsection (4C) below, the following are the times when an insolvency procedure is to be taken, for the purposes of this section, to be applied to any person, that is to say—
- (a) when a bankruptcy order, winding-up order, administration order or award of sequestration is made in relation to that person;
 - (b) when that person is put into administrative receivership;
 - (c) when that person, being a corporation, passes a resolution for voluntary winding up;
 - (d) when any voluntary arrangement approved in accordance with Part I or VIII of the Insolvency Act 1986, or Part II or Chapter II of Part VIII of the ^{M25}Insolvency (Northern Ireland) Order 1989, comes into force in relation to that person;
 - (e) when a deed of arrangement registered in accordance with the ^{M26}Deeds of Arrangement Act 1914 or Chapter I of Part VIII of that Order of 1989 takes effect in relation to that person;
 - (f) when that person’s estate becomes vested in any other person as that person’s trustee under a trust deed.
- (4C) In this section references, in relation to any person, to the application of an insolvency procedure to that person shall not include—
- (a) the making of a bankruptcy order, winding-up order, administration order or award of sequestration at a time when any such arrangement or deed as is mentioned in subsection (4B)(d) to (f) above is in force in relation to that person;
 - (b) the making of a winding-up order at any of the following times, that is to say—
 - (i) immediately upon the discharge of an administration order made in relation to that person;
 - (ii) when that person is being wound up voluntarily;
 - (iii) when that person is in administrative receivership;
- or
- (c) the making of an administration order in relation to that person at any time when that person is in administrative receivership.
- (4D) For the purposes of this section a person shall be regarded as being in administrative receivership throughout any continuous period for which (disregarding any temporary vacancy in the office of receiver) there is an administrative receiver of that person, and the reference in subsection (4B)

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

above to a person being put into administrative receivership shall be construed accordingly.”

- (3) In subsection (5) (definitions), for “subsection (4) above” there shall be substituted “this section”.
- (4) This section shall have effect in relation to amounts becoming due from the Commissioners of Customs and Excise at times on or after the day on which this Act is passed.

Marginal Citations

M24 1994 c. 23.

M25 1986 c. 45.

M26 1914 c. 47.

28 Transactions treated as supplies for purposes of zero-rating etc.

- (1) In section 30 of the ^{M27}Value Added Tax Act 1994 (zero-rated supplies) for subsection (5) (transactions described in Schedule 8 to the Act to be treated as supplies) there shall be substituted—

“(5) The export of any goods by a charity to a place outside the member States shall for the purposes of this Act be treated as a supply made by the charity—

- (a) in the United Kingdom, and
- (b) in the course or furtherance of a business carried on by the charity.”

- (2) This section shall have effect in relation to transactions occurring on or after the day on which this Act is passed.

Marginal Citations

M27 1994 c. 23.

29 Goods removed from warehousing regime.

In section 18 of the ^{M28}Value Added Tax Act 1994 (place and time of acquisition or supply of goods subject to warehousing regime) for subsection (5) (regulations about payment of VAT on supply of such goods) there shall be substituted the following subsections—

“(5) The Commissioners may by regulations make provision for enabling a taxable person to pay the VAT he is required to pay by virtue of paragraph (b) of subsection (4) above at a time later than that provided for by that paragraph.

- (5A) Regulations under subsection (5) above may in particular make provision for either or both of the following—

- (a) for the taxable person to pay the VAT together with the VAT chargeable on other supplies by him of goods and services;
- (b) for the taxable person to pay the VAT together with any duty of excise deferment of which has been granted to him under section 127A of the ^{M29}Customs and Excise Management Act 1979;

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

and they may make different provision for different descriptions of taxable person and for different descriptions of goods.”

Marginal Citations

M28 1994 c. 23.

M29 1979 c. 2.

30 Fuel supplied for private use.

- (1) Section 57 of the ^{M30}Value Added Tax Act 1994 (determination of consideration for fuel supplied for private use) shall be amended as follows.
- (2) The following subsection shall be inserted after subsection (1)—

“(1A) Where the prescribed accounting period is a period of 12 months, the consideration appropriate to any vehicle is that specified in relation to a vehicle of the appropriate description in the second column of Table A below.”
- (3) In subsection (2) (consideration where prescribed accounting period is period of 3 months) for “second” there shall be substituted “ third ”.
- (4) In subsection (3) (consideration where prescribed accounting period is period of one month) for “third” there shall be substituted “ fourth ”.
- (5) The following Table shall be substituted for Table A—

“ TABLE A

<i>Description of vehicle (Type of engine and cylinder capacity in cubic centimetres)</i>	<i>12 month period</i>	<i>3 month period</i>	<i>1 month period</i>
	£	£	£
Diesel engine 2000 or less	605	151	50
More than 2000	780	195	65
Any other type of engine 1400 or less	670	167	55
More than 1400 but not more than 2000	850	212	70
More than 2000	1260	315	105”

- (6) This section shall apply in relation to prescribed accounting periods beginning on or after 6th April 1995.
- (7) Nothing in this section shall be taken to prejudice any practice by which the consideration appropriate to a vehicle is arrived at where a prescribed accounting period beginning before 6th April 1995 is a period of 12 months.

*Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)*

Marginal Citations
M30 1994 c. 23.

31 Appeals: payment of amounts shown in returns.

- (1) In section 84(2) of the ^{M31}Value Added Tax Act 1994 (appeal not to be entertained unless amounts shown in returns paid, except in certain cases) the words “, except in the case of an appeal against a decision with respect to the matter mentioned in section 83(1),” shall be omitted.
- (2) This section shall apply in relation to appeals brought after the day on which this Act is passed.

Marginal Citations
M31 1994 c. 23.

^{F9}**32 Penalties for failure to notify etc.**

.....

Textual Amendments
F9 S. 32 omitted (with effect in accordance with art. 3 of the commencing S.I.) by virtue of Finance Act 2008 (c. 9), s. 123(2), Sch. 41 para. 25(g); S.I. 2009/511, art. 2 (with art. 4)

33 Correction of consolidation errors.

- (1) The ^{M32}Value Added Tax Act 1994 shall have effect, and be deemed always to have had effect, as if it had been enacted as follows.
- [^{F10}(2) Section 35(1) (refund of VAT to persons constructing certain buildings) shall be deemed to have been enacted with the word “building” substituted for the word “dwelling” in each place where it occurs.]
- (3) Paragraph 5(5) and (6)(b) of Schedule 4 and paragraph 7(b) of Schedule 6 (which contain references to paragraph 5(3) of Schedule 4 which should be references to paragraph 5(4) of that Schedule) shall be deemed to have been enacted—
 - (a) in the case of paragraph 5(5) and (6)(b), with “sub-paragraph (4) above” substituted for “sub-paragraph (3) above”, in each case; and
 - (b) in the case of paragraph 7(b), with “paragraph 5(4)” substituted for “paragraph 5(3)”.
- (4) In paragraph 9 of Schedule 13 (which contains transitional provisions relating to bad debt relief), the following sub-paragraph shall be deemed to have been enacted instead of sub-paragraph (2) of that paragraph, that is to say—
 - “(2) Claims for refunds of VAT shall not be made in accordance with section 36 of this Act in relation to—
 - (a) any supply made before 1st April 1989; or

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- (b) any supply as respects which a claim is or has been made under section 22 of the 1983 Act.”
- (5) In paragraph 13 of Schedule 14 (consequential amendment of the ^{M33}Finance Act 1994), the following sub-paragraph shall be deemed to have been enacted instead of sub-paragraph (a) of that paragraph, that is to say—
- “(a) in subsection (4) for “25 and 29 of the Finance Act 1985” and “40 of the Value Added Tax Act 1983” there shall be substituted, respectively, “85 and 87 of the Value Added Tax Act 1994” and “83 of that Act”.”

Textual Amendments

F10 S. 33(2) repealed (29.4.1996 with effect as mentioned in s. 30(4) of the amending Act) by 1996 c. 8, s. 205, **Sch. 41 Pt. IV(4)**

Marginal Citations

M32 1994 c. 23.
M33 1994 c. 9.

Insurance premium tax

34 Insurance premium tax.

Schedule 5 to this Act (which relates to insurance premium tax) shall have effect.

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Income tax: charge, rates and reliefs

^{F11}35 Charge and rates of income tax for 1995-96.

Textual Amendments

F11 S. 35 repealed (6.4.2007) by **Income Tax Act 2007 (c. 3)**, s. 1034(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F12}36 Personal allowance.

Textual Amendments

F12 S. 36 repealed (6.4.2007) by **Income Tax Act 2007 (c. 3)**, s. 1034(1), **Sch. 3 Pt. 1** (with Sch. 2)

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Corporation tax: charge and rate

37 Charge and rate of corporation tax for 1995.

Corporation tax shall be charged for the financial year 1995 at the rate of 33 per cent.

^{F13}**38 Small companies.**

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Textual Amendments

F13 S. 38 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

Taxation of income from land

^{F14}**39 Income chargeable under Schedule A.**

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Textual Amendments

F14 S. 39 repealed (31.7.1998 with effect as mentioned in s. 38(2)(3) of the amending Act) by [1998 c. 36](#), s. 165(1), **Sch. 27 Pt. III(4)** Note

40 Non-residents and their representatives.

^{F15}(1)

^{F15}(2)

(3) Section 43 of the Taxes Act 1988 (payments to non-residents of amounts chargeable under Schedule A) shall not have effect in relation to any payment made on or after 6th April 1996.

Textual Amendments

F15 S. 40(1)(2) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

^{F16}**41 Income from overseas property.**

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Textual Amendments

F16 S. 41 repealed (31.7.1998 with effect as mentioned in s. 38(2)(3) of the amending Act) by [1998 c. 36](#), s. 165(1), **Sch. 27 Pt. III(4)** Note

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

42 Abolition of interest relief for commercially let property.

- F17(1)
- (2) That Act shall be further amended as follows—
 - F18(a)
 - F17(b)
 - F17(c)
 - F17(d)
 - F17(e)
- F19(3)
- F19(4)
- F19(5)
- F20(6)

Textual Amendments

- F17** S. 42(1)(2)(b)-(e) repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. III(7) Note 4 of the amending Act) by 1999 c. 16, s. 139, **Sch. 20 Pt. III(7)** Note 4
- F18** S. 42(2)(a) repealed (6.4.2007) by **Income Tax Act 2007** (c. 3), s. 1034(1), **Sch. 3 Pt. 1** (with Sch. 2)
- F19** S. 42(3)-(5) repealed (31.1.2013) by **Statute Law (Repeals) Act 2013** (c. 2), s. 3(2), **Sch. 1 Pt. 10** Group 1
- F20** S. 42(6) repealed (29.4.1996 with effect as mentioned in ss. 80-105 of the amending Act) by 1996 c. 8, s. 205, **Sch. 41 Pt. V(3)**

Benefits in kind

F21 43 Cars available for private use.

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Textual Amendments

- F21** Ss. 43-45 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003** (c. 1), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

F21 44 Cars: accessories for the disabled.

.....

Textual Amendments

- F21** Ss. 43-45 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003** (c. 1), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

F21 45 Beneficial loan arrangements: replacement loans.

.....

Textual Amendments

F21 Ss. 43-45 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

Chargeable gains

46 Relief on re-investment: property companies etc.

- (1) Chapter IA of Part V of the ^{M34}Taxation of Chargeable Gains Act 1992 (roll-over relief on re-investment) shall be amended as follows.
- (2) In section 164A (relief on re-investment for individuals) the following subsection shall be inserted after subsection (12)—

“(13) Where an acquisition is made on or after 29th November 1994 section 164H shall be ignored in deciding whether it is an acquisition of a qualifying investment for the purposes of this section.”
- (3) In section 164F (failure of conditions of relief) the following subsection shall be inserted after subsection (2)—

“(2A) In deciding for the purposes of subsection (2)(b) above whether a company is a qualifying company at a time falling on or after 29th November 1994 section 164H shall be ignored.”
- (4) In section 164I (qualifying trades) the following subsection shall be inserted after subsection (4)—

“(4A) In deciding whether a trade complies with this section at a time falling on or after 29th November 1994 paragraphs (g) and (h) of subsection (2) above shall be ignored.”

Marginal Citations

M34 1992 c. 12.

47 Relief on re-investment: amount of relief, etc.

- (1) Chapter IA of Part V of the ^{M35}Taxation of Chargeable Gains Act 1992 (roll-over relief on re-investment) shall be amended as follows.
- (2) In section 164A after subsection (13) (inserted by section 46 above) there shall be inserted—

“(14) This section is subject to sections 164FF and 164FG.”
- (3) In section 164F after subsection (10B) there shall be inserted—

“(10C) Subsection (10A) above is subject to sections 164FF and 164FG.”

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

(4) After section 164F there shall be inserted—

“164FF Qualifying investment acquired from husband or wife.

- (1) This section applies where—
 - (a) a claim is made under subsection (2) of section 164A or subsection (10A) of section 164F; and
 - (b) the qualifying investment as respects which the claim is made is acquired by a disposal to which section 58 applies.
- (2) The amounts by reference to which the reduction is determined shall be treated as including the amount of the consideration which the claimant would under this Act be treated as having given for the qualifying investment if he had, immediately upon acquiring the qualifying investment, disposed of it on a disposal which was not a no gain/no loss disposal.
- (3) Where—
 - (a) the claimant makes a disposal, which is not a no gain/no loss disposal, of the qualifying investment, and
 - (b) any disposal after 31st March 1982 and before he acquired the qualifying investment was a no gain/no loss disposal,nothing in paragraph 1 of Schedule 3, section 35 or section 55 shall operate to defeat the reduction falling to be made under section 164A(2)(b) or, as the case may be, section 164F(10A)(b) in the consideration for the acquisition of the qualifying investment.
- (4) Where—
 - (a) the claimant makes a disposal of the qualifying investment and that disposal is a disposal to which section 58 applies, and
 - (b) any disposal after 31st March 1982 and before the claimant acquired the qualifying investment was a no gain/no loss disposal,nothing in the application of paragraph 1 of Schedule 3, section 35 or section 55 to the person to whom the claimant makes the disposal of the qualifying investment shall operate to defeat the reduction made under section 164A(2)(b) or, as the case may be, section 164F(10A)(b).
- (5) For the purposes of this section a no gain/no loss disposal is one on which by virtue of any of the enactments specified in section 35(3)(d) neither a gain nor a loss accrues.”

(5) After section 164FF (inserted by subsection (4) above) there shall be inserted—

“164FG Multiple claims.

- (1) This section applies where—
 - (a) a reduction is claimed by a person as respects a qualifying investment under subsection (2) of section 164A or subsection (10A) of section 164F; and
 - (b) any other reduction has been or is being claimed by that person under either subsection as respects that investment.

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- (2) Subject to subsection (5) below, the reductions shall be treated as claimed separately in such sequence as the claimant elects or an officer of the Board in default of an election determines.
- (3) In relation to a later claim as respects the qualifying investment under either subsection, the subsection shall have effect as if each of the relevant amounts were reduced by the aggregate of any reductions made in the amount or value of the consideration for the acquisition of that investment by virtue of any earlier claims as respects that investment.
- (4) In subsection (3) above “the relevant amounts” means—
 - (a) if the claim is under section 164A(2), the amounts referred to in subsection (2)(a)(ii) and (iii) and any amount required to be included by virtue of section 164FF(2); and
 - (b) if the claim is under section 164F(10A), the amounts referred to in subsection (10A)(a)(i) and (ii) and any amount required to be included by virtue of section 164FF(2).
- (5) A claim that has become final shall be treated as made earlier than any claim that has not become final.
- (6) For the purposes of subsection (5) above, a claim becomes final when—
 - (a) it may no longer be amended, or
 - (b) it is finally determined,
 whichever occurs first.”
- (6) Subsection (4) above (and subsections (1) to (3) above so far as relating to subsection (4) above) shall apply to a claim as respects a qualifying investment if—
 - (a) the qualifying investment is acquired on or after 20th June 1994; or
 - (b) the claim is under section 164A(2) and relates to a disposal on or after that day; or
 - (c) the claim is under subsection (10A) of section 164F and relates to a gain which (apart from that subsection) would accrue on or after that day.
- (7) Subsection (5) above (and subsections (1) to (3) above so far as relating to subsection (5) above) shall apply to a claim as respects a qualifying investment if—
 - (a) the qualifying investment is acquired on or after 20th June 1994; or
 - (b) the claim is under section 164A(2) and relates to a disposal on or after that day; or
 - (c) the claim is under subsection (10A) of section 164F and relates to a gain which (apart from that subsection) would accrue on or after that day; or
 - (d) there is another claim as respects that qualifying investment which is under section 164A(2) and which relates to a disposal on or after that day; or
 - (e) there is another claim as respects that qualifying investment which is under subsection (10A) of section 164F and which relates to a gain which (apart from that subsection) would accrue on or after that day.
- (8) Any such adjustment as is appropriate in consequence of this section may be made (whether by discharge or repayment of tax, the making of an assessment or otherwise).

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Marginal Citations

M35 1992 c. 12.

48 Roll-over relief and groups of companies.

- (1) In section 175 of the ^{M36}Taxation of Chargeable Gains Act 1992 (replacement of business assets by members of a group), after subsection (2) there shall be inserted the following subsections—

“(2A) Section 152 shall apply where—

- (a) the disposal is by a company which, at the time of the disposal, is a member of a group of companies,
- (b) the acquisition is by another company which, at the time of the acquisition, is a member of the same group, and
- (c) the claim is made by both companies,

as if both companies were the same person.

(2B) Section 152 shall apply where a company which is a member of a group of companies but is not carrying on a trade—

- (a) disposes of assets (or an interest in assets) used, and used only, for the purposes of the trade which (in accordance with subsection (1) above) is treated as carried on by the members of the group which carry on a trade, or
- (b) acquires assets (or an interest in assets) taken into use, and used only, for those purposes,

as if the first company were carrying on that trade.

(2C) Section 152 shall not apply if the acquisition of, or of the interest in, the new assets—

- (a) is made by a company which is a member of a group of companies, and
- (b) is one to which any of the enactments specified in section 35(3)(d) applies.”

- (2) In section 247 of the ^{M37}Taxation of Chargeable Gains Act 1992 (roll-over relief on compulsory acquisition of land), after subsection (5) there shall be inserted the following subsection—

“(5A) Subsections (2A) and (2C) of section 175 shall apply in relation to this section as they apply in relation to section 152 (but as if the reference in subsection (2C) to the new assets were a reference to the new land).”

- (3) Subject to subsection (4) below—

- (a) the subsection inserted into section 175 of the ^{M38}Taxation of Chargeable Gains Act 1992 by subsection (1) above as subsection (2A) shall be deemed always to have had effect; and
- (b) the earlier enactments corresponding to that section shall be deemed to have contained provision to the same effect as that subsection (2A).

- (4) Paragraph (c) of that subsection (2A) shall not apply unless the claim is made on or after 29th November 1994.

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- (5) The subsection inserted into section 175 of the ^{M39}Taxation of Chargeable Gains Act 1992 by subsection (1) above as subsection (2B) shall apply where the disposal or the ^{M40}acquisition is on or after 29th November 1994; and the subsection so inserted as subsection (2C) shall apply where the acquisition is on or after that date.
- (6) The subsection inserted into section 247 of the ^{M41}Taxation of Chargeable Gains Act 1992 by subsection (2) above shall apply—
- (a) so far as it relates to section 175(2A), where the disposal or the acquisition is on or after 29th November 1994; and
 - (b) so far as it relates to section 175(2C), where the acquisition is on or after that date.

Marginal Citations

M36 1992 c. 12.
M37 1992 c. 12.
M38 1992 c. 12.
M39 1992 c. 12.
M40 1992 c. 12.
M41 1992 c. 12.

49 De-grouping charges.

- (1) In section 179 of the ^{M42}Taxation of Chargeable Gains Act 1992 (de-grouping charges), after subsection (2) there shall be inserted the following subsections—

“(2A) Where—

- (a) a company that has ceased to be a member of a group of companies (“the first group”) acquired an asset from another company which was a member of that group at the time of the acquisition,
- (b) subsection (2) above applies in the case of that company’s ceasing to be a member of the first group so that subsection (1) above does not have effect as respects the acquisition of that asset,
- (c) the company that made the acquisition subsequently ceases to be a member of another group of companies (“the second group”), and
- (d) there is a connection between the two groups,

subsection (1) above shall have effect in relation to the company’s ceasing to be a member of the second group as if it had been the second group of which both companies had been members at the time of the acquisition.

- (2B) For the purposes of subsection (2A) above there is a connection between the first group and the second group if, at the time when the chargeable company ceases to be a member of the second group, the company which is the principal company of that group is under the control of—

- (a) the company which is the principal company of the first group or, if that group no longer exists, which was the principal company of that group when the chargeable company ceased to be a member of it;
- (b) any company which controls the company mentioned in paragraph (a) above or which has had it under its control at any time in the period since the chargeable company ceased to be a member of the first group; or

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- (c) any company which has, at any time in that period, had under its control either—
- (i) a company which would have fallen within paragraph (b) above if it had continued to exist, or
 - (ii) a company which would have fallen within this paragraph (whether by reference to a company which would have fallen within that paragraph or to a company or series of companies falling within this sub-paragraph).”
- (2) After subsection (9) of that section there shall be inserted the following subsection—
- “(9A) Section 416(2) to (6) of the Taxes Act (meaning of control) shall have effect for the purposes of subsection (2B) above as it has effect for the purposes of Part XI of that Act; but a person carrying on a business of banking shall not for the purposes of that subsection be regarded as having control of any company by reason only of having, or of the consequences of having exercised, any rights of that person in respect of loan capital or debt issued or incurred by the company for money lent by that person to the company in the ordinary course of that business.”
- (3) This section has effect in relation to a company in any case in which the time of the company’s ceasing to be a member of the second group is on or after 29th November 1994.

Marginal Citations

M42 1992 c. 12.

[^{F22}50 **Corporate bonds.**

In section 117 of the ^{M43}Taxation of Chargeable Gains Act 1992 (qualifying corporate bonds) the following subsection shall be inserted after subsection (2)—

“(2A) Where it falls to be decided whether at any time on or after 29th November 1994 a security (whenever issued) is a corporate bond for the purposes of this section, a security which falls within paragraph 2(2)(c) of Schedule 11 to the ^{M44}Finance Act 1989 (quoted indexed securities) shall be treated as not being a corporate bond within the definition in subsection (1) above.”]

Textual Amendments

F22 S. 50 repealed (29.4.1996 with effect as mentioned in ss. 80-105 of the amending Act) by 1996 c. 8, s. 205, Sch. 41 Pt. V(3)

Marginal Citations

M43 1992 c. 12.

M44 1989 c. 26.

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Insurance companies and friendly societies

F23 51 Companies carrying on life assurance business.

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Textual Amendments

F23 S. 51 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(f\)\(i\)](#)

52 Meaning of “insurance company”.

F24 (1)

(2) **F25**

(3) **F26**

(4) In section 59(3)(b) of the Inheritance Tax Act 1984 (interests of insurance companies acquired before 14th March 1975 to be qualifying interests in possession), for the words from “if” onwards there shall be substituted “if the company is an insurance company (within the meaning of Chapter I of Part XII of the ^{M45}Taxes Act 1988) and either—

(i) is authorised to carry on long term business under section 3 or 4 of the ^{M46}Insurance Companies Act 1982; or

(ii) carries on through a branch or agency in the United Kingdom the whole or any part of any long term business which it is authorised to carry on by an authorisation granted outside the United Kingdom for the purposes of the first long term insurance Directive;

and in paragraph (b) above “long term business” and “the first long term insurance Directive” have the same meanings as in that Act of 1982. ”

(5) Subsections (1) to (3) above shall have effect in relation to any accounting period ending after 30th June 1994; and subsection (4) above shall have effect for the purposes of the making, on an anniversary or other occasion after that date, of any charge to tax under section 64 or 65 of the ^{M47}Inheritance Tax Act 1984.

Textual Amendments

F24 S. 52(1) repealed (1.12.2001) by [S.I. 2001/3629](#), art. 109, [Sch.](#)

F25 S. 52(2) repealed (24.7.2002 with effect as mentioned in Sch. 40 Pt. 3(10) Note 2 of the amending Act) by [Finance Act 2002 \(c. 23\)](#), s.141, [Sch.40 Pt. 3\(10\)](#) Note 2

F26 S. 52(3) repealed (24.7.2002 with effect as mentioned in Sch. 40 Pt. 3 Note 2 of the amending Act) by [Finance Act 2002 \(c. 23\)](#), s.141, [Sch.40 Pt. 3\(13\)](#) Note 2

Marginal Citations

M45 1984 c. 51.

M46 1982 c. 50.

M47 1984 c. 51.

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

53 Transfer of life insurance business.

- (1) The amendments specified in Schedule 9 to this Act (which relate to enactments referring to the transfer of the whole or part of the long term business of an insurance company) shall have effect.
- (2) This section and that Schedule shall have effect in relation to any transfers sanctioned or authorised after 30th June 1994.

54 Friendly societies.

Schedule 10 to this Act (which makes provision about friendly societies) shall have effect.

Insurance policies

55 Qualifying life insurance policies.

- (1) Subject to subsections (2) and (3) below—
 - (a) paragraph 21 of Schedule 15 to the Taxes Act 1988 (certification of policies and of standard forms etc.) shall not apply, in relation to any time on or after [F27the appointed date], for determining whether a policy is or would be a qualifying policy at that time; and
 - (b) no certificate may be issued under that paragraph at any time on or after that date except, in the case of a certificate under sub-paragraph (1)(a) of that paragraph, in relation to a time before that date.
- (2) Subsection (1) above shall not affect the right of any person to bring or continue with an appeal under paragraph 21(3) of that Schedule against either a refusal before [F27the appointed date] to certify any policy or a refusal on or after that date to certify any policy in relation to times before that date.
- (3) A certificate issued—
 - (a) before [F27the appointed date] in pursuance of paragraph 21(1)(a) of that Schedule, or
 - (b) in pursuance of a determination on an appeal determined after that date by virtue of subsection (2) above,shall, in relation to any time on or after that date or, as the case may be, the date on which it is issued, be conclusive evidence that the policy to which it relates is (subject [F28to paragraphs A1(2), B2(2) and B3(3) of that Schedule and] to any variation of the policy) a qualifying policy.
- (4) Paragraph 22 of that Schedule (certificates from body issuing policy) shall cease to have effect in relation to any time on or after [F27the appointed date].
- (5) Paragraph 24 of that Schedule (policies issued by non-resident companies) shall have effect in relation to times on or after [F27the appointed date]—
 - (a) with the substitution of the following sub-paragraphs for sub-paragraph (2)—
 - “(2) Subject to section 55(3) of the Finance Act 1995 (transitional provision for the certification of certain policies), a new non-resident policy that falls outside sub-paragraph (2A) below shall

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

not be a qualifying policy until such time as the conditions in sub-paragraph (3) are fulfilled with respect to it.

(2A) A policy falls outside this sub-paragraph unless, at the time immediately before [^{F27}the appointed day], it was a qualifying policy by virtue of sub-paragraphs (2)(b) and (4) of this paragraph, as they had effect in relation to that time.”; and

(b) with the omission, in sub-paragraph (3), of the word “first” and of sub-paragraph (4).

(6) In paragraph 25 of that Schedule (policies substituted for policies issued by non-resident companies), for sub-paragraph (2) there shall be substituted the following sub-paragraph—

“(2) The modifications are the following—

(a) if, apart from paragraph 24, the old policy or any related policy (within the meaning of paragraph 17(2)(b)) of which account falls to be taken would have been a qualifying policy, that policy shall be assumed to have been a qualifying policy for the purposes of paragraph 17(2); and

(b) if, apart from this paragraph, the new policy would be a qualifying policy, it shall not be such a policy unless the circumstances are as specified in paragraph 17(3); and

(c) in paragraph 17(3)(c) the words “either by a branch or agency of theirs outside the United Kingdom or” shall be omitted;

and references in this sub-paragraph to being a qualifying policy shall have effect, in relation to any time before [^{F27}the appointed date], as including a reference to being capable of being certified as such a policy.”

(7) In paragraph 27(1) of that Schedule, except so far as it has effect for the purposes of any case to which paragraph 21 of that Schedule applies by virtue of the preceding provisions of this section, for “paragraphs 21 and” there shall be substituted “paragraph”.

^{F29}(8)

[^{F30}(9) In this section “the appointed date” means such date as may be specified for the purpose in an order made by the Board.]

Subordinate Legislation Made

P1 S. 55(9): 6.4.2013 specified as “the appointed date” by [The Finance Act 1995, Section 55 \(Appointed Date\) Order 2013 \(S.I. 2013/759\)](#), art. 2

Textual Amendments

F27 Words in s. 55(1)(a)(2)(3)(a)(4)(5)(a)(6) substituted (29.4.1996) by [1996 c. 8, s. 162\(1\)\(a\)](#)

F28 Words in s. 55 inserted (retrospective to 6.4.2013) by [Finance Act 2013 \(c. 29\), Sch. 9 para. 6\(1\)\(2\)](#)

F29 S. 55(8) omitted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\), Sch. 14 para. 17\(d\)](#)

F30 S. 55(9) inserted (29.4.1996) by [1996 c. 8, s. 162\(1\)\(b\)](#)

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Changes to legislation: There are currently no known outstanding
effects for the Finance Act 1995. (See end of Document for details)*

F31 56 Foreign life policies etc.

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Textual Amendments

F31 S. 56 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 476](#), [Sch. 3](#) (with [Sch. 2](#))

F32 57 Duties of insurers in relation to life policies etc.

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Textual Amendments

F32 S. 57 repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), [Sch. 1 Pt. 10](#) Group 1

Pensions

F33 58 Personal pensions: income withdrawals.

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Textual Amendments

F33 Ss. 58-61 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#) (with [Sch. 36](#))

F33 59 Pensions: meaning of insurance company etc.

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Textual Amendments

F33 Ss. 58-61 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#) (with [Sch. 36](#))

F33 60 Application of section 59.

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Textual Amendments

F33 Ss. 58-61 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#) (with [Sch. 36](#))

F33 61 Cessation of approval of certain retirement benefits schemes.

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Textual Amendments

F33 Ss. 58-61 repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3** (with Sch. 36)

Saving and investment: general

F34 62 Follow-up TESSAs.

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Textual Amendments

F34 S. 62 repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), **Sch. 3** (with Sch. 2)

F35 63 TESSAs: European institutions.

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Textual Amendments

F35 S. 63 repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), **Sch. 3** (with Sch. 2)

F36 64 Personal equity plans: tax representatives.

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Textual Amendments

F36 S. 64 repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), **Sch. 3** (with Sch. 2)

F37 65 Contractual savings schemes.

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Textual Amendments

F37 S. 65 repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), **Sch. 3** (with Sch. 2)

F38 66 Enterprise investment scheme: ICTA amendments.

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Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Textual Amendments

F38 S. 66 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 2](#) (with [Sch. 2](#))

67 Enterprise investment scheme: TCGA amendments.

Schedule 13 to this Act (which contains amendments relating to chargeable gains as regards the enterprise investment scheme) shall have effect.

68 Business expansion scheme: ICTA amendments

(1) Chapter III of Part VII of the Taxes Act 1988 as it has effect in relation to shares issued before 1st January 1994 (the business expansion scheme) shall be amended as follows.

(2) In section 289 (the relief) the following subsection shall be inserted after subsection (12) (which defines “the relevant period” for the purposes of the Chapter)

—
“(12A) In arriving at the relevant period for the purposes of sections 294 to 296 any time falling on or after 29th November 1994 shall be ignored; and subsection (12) above shall have effect subject to the preceding provisions of this subsection.”

(3) In section 305 (reorganisation of share capital) the following subsections shall be inserted after subsection (4)—

“(5) Subsection (2) above shall not apply where the reorganisation occurs on or after 29th November 1994.

(6) Subsection (2) above shall not apply by virtue of subsection (3) above where the rights are disposed of on or after 29th November 1994.”

69 Business expansion scheme: TCGA amendments.

In section 150 of the ^{M48}Taxation of Chargeable Gains Act 1992 (business expansion schemes) the following subsections shall be inserted after subsection (8) (which disapplies provisions about exchanges, reconstructions or amalgamations in certain circumstances)—

“(8A) Subsection (8) above shall not have effect to disapply section 135 or 136 where—

- (a) the new holding consists of new ordinary shares carrying 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,
- (b) the new shares are issued on or after 29th November 1994 and after the end of the relevant period, and
- (c) the condition in subsection (8B) below is fulfilled.

(8B) The condition is that at some time before the issue of the new shares—

- (a) the company issuing them issued eligible shares, and
- (b) a certificate in relation to those eligible shares was issued by the company for the purposes of subsection (2) of section 306 of the Taxes Act and in accordance with that section.

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(8C) In subsection (8A) above—

- (a) “new holding” shall be construed in accordance with sections 126, 127, 135 and 136;
- (b) “relevant period” means the period found by applying section 289(12) (a) of the Taxes Act by reference to the company issuing the shares referred to in subsection (8) above and by reference to those shares.”

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Marginal Citations
M48 1992 c. 12.

Venture capital trusts

F39 70 Approval of companies as trusts.

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Textual Amendments
F39 S. 70 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F40 71 Income tax relief.

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Textual Amendments
F40 S. 71 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

72 Capital gains.

- (1) The ^{M49}Taxation of Chargeable Gains Act 1992 shall be amended as follows.
- (2) In section 100(1) (exemption from charge for gains accruing to authorised unit trusts, investment trusts etc.), after “investment trust” there shall be inserted “ a venture capital trust ”.
- (3) In Chapter III of Part IV (miscellaneous provisions relating to securities), after section 151 there shall be inserted the following sections—

“151A Venture capital trusts: reliefs.

- (1) A gain or loss accruing to an individual on a qualifying disposal of any ordinary shares in a company which—
 - (a) was a venture capital trust at the time when he acquired the shares, and
 - (b) is still such a trust at the time of the disposal,
 shall not be a chargeable gain or, as the case may be, an allowable loss.

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- (2) For the purposes of this section a disposal of shares is a qualifying disposal in so far as—
 - (a) it is made by an individual who has attained the age of eighteen years;
 - (b) the shares disposed of were not acquired in excess of the permitted maximum for any year of assessment; and
 - (c) that individual acquired those shares for bona fide commercial purposes and not as part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax.
- (3) Schedule 5C shall have effect for providing relief in respect of gains invested in venture capital trusts.
- (4) In determining for the purposes of this section whether a disposal by any person of shares in a venture capital trust relates to shares acquired in excess of the permitted maximum for any year of assessment, it shall be assumed (subject to subsection (5) below)—
 - (a) as between shares acquired by the same person on different days, that those acquired on an earlier day are disposed of by that person before those acquired on a later day; and
 - (b) as between shares acquired by the same person on the same day, that those acquired in excess of the permitted maximum are disposed of by that person before he disposes of any other shares acquired on that day.
- (5) It shall be assumed for the purposes of subsection (1) above that a person who disposes of shares in a venture capital trust disposes of shares acquired at a time when it was not such a trust before he disposes of any other shares in that trust.
- (6) References in this section to shares in a venture capital trust acquired in excess of the permitted maximum for any year of assessment shall be construed in accordance with the provisions of Part II of Schedule 15B to the Taxes Act; and the provisions of that Part of that Schedule shall apply (with subsections (4) and (5) above) for identifying the shares which are, in any case, to be treated as representing shares acquired in excess of the permitted maximum.
- (7) In this section and section 151B “ordinary shares”, in relation to a company, means any shares forming part of the company’s ordinary share capital (within the meaning of the Taxes Act).

151B Venture capital trusts: supplementary.

- (1) Sections 104, 105 and 107 shall not apply to any shares in a venture capital trust which are eligible for relief under section 151A(1).
- (2) Subject to the following provisions of this section, where—
 - (a) an individual holds any ordinary shares in a venture capital trust,
 - (b) some of those shares fall within one of the paragraphs of subsection (3) below, and
 - (c) others of those shares fall within at least one other of those paragraphs,

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then, if there is within the meaning of section 126 a reorganisation affecting those shares, section 127 shall apply separately in relation to the shares (if any) falling within each of the paragraphs of that subsection (so that shares of each kind are treated as a separate holding of original shares and identified with a separate new holding).

- (3) The kinds of shares referred to in subsection (2) above are—
- (a) any shares in a venture capital trust which are eligible for relief under section 151A(1) and by reference to which any person has been given or is entitled to claim relief under Part I of Schedule 15B to the Taxes Act;
 - (b) any shares in a venture capital trust which are eligible for relief under section 151A(1) but by reference to which no person has been given, or is entitled to claim, any relief under that Part of that Schedule;
 - (c) any shares in a venture capital trust by reference to which any person has been given, or is entitled to claim, any relief under that Part of that Schedule but which are not shares that are eligible for relief under section 151A(1); and
 - (d) any shares in a venture capital trust that do not fall within any of paragraphs (a) to (c) above.
- (4) Where—
- (a) an individual holds ordinary shares in a company (“the existing holding”),
 - (b) there is, by virtue of any such allotment for payment as is mentioned in section 126(2)(a), a reorganisation affecting the existing holding, and
 - (c) immediately following the reorganisation, the shares or the allotted holding are shares falling within any of paragraphs (a) to (c) of subsection (3) above,
- sections 127 to 130 shall not apply in relation to the existing holding.
- (5) Sections 135 and 136 shall not apply where—
- (a) the exchanged holding consists of shares falling within paragraph (a) or (b) of subsection (3) above; and
 - (b) that for which the exchanged holding is or is treated as exchanged does not consist of ordinary shares in a venture capital trust.
- (6) Where—
- (a) the approval of any company as a venture capital trust is withdrawn, and
 - (b) the withdrawal of the approval is not one to which section 842AA(8) of the Taxes Act applies,
- any person who at the time when the withdrawal takes effect is holding shares in that company which (apart from the withdrawal) would be eligible for relief under section 151A(1) shall be deemed for the purposes of this Act, at that time, to have disposed of and immediately re-acquired those shares for a consideration equal to their market value at that time.
- (7) The disposal that is deemed to take place by virtue of subsection (6) above shall be deemed for the purposes of section 151A to take place while the company is still a venture capital trust; but, for the purpose of applying

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sections 104, 105 and 107 to the shares that are deemed to be re-acquired, it shall be assumed that the re-acquisition for which that subsection provides takes place immediately after the company ceases to be such a trust.

(8) For the purposes of this section—

- (a) shares are eligible for relief under section 151A(1) at any time when they are held by an individual whose disposal of the shares at that time would (on the assumption, where it is not the case, that the individual attained the age of eighteen years before that time) be a disposal to which section 151A(1) would apply; and
 - (b) shares shall not, in relation to any time, be treated as shares by reference to which relief has been given under Part I of Schedule 15B to the Taxes Act if that time falls after—
 - (i) any relief given by reference to those shares has been reduced or withdrawn,
 - (ii) any chargeable event (within the meaning of Schedule 5C) has occurred in relation to those shares, or
 - (iii) the death of a person who held those shares immediately before his death;
- and
- (c) the references, in relation to sections 135 and 136, to the exchanged holding is a reference to the shares in company B or, as the case may be, to the shares or debentures in respect of which shares or debentures are issued under the arrangement in question.”

^{F41}(4)

(5) In section 257(1) (gifts to charities etc.), after paragraph (b) there shall be inserted—
“and the disposal is not one in relation to which section 151A(1) has effect.”

^{F42}(6)

(7) In section 288(1) (interpretation), after the definition of “trading stock” there shall be inserted the following definition—

““venture capital trust” has the meaning given by section 842AA of the Taxes Act;”.

(8) Subsection (2) above shall have effect in relation to gains accruing on or after 6th April 1995 and the other provisions of this section have effect for the year 1995-96 and subsequent years of assessment.

Textual Amendments

F41 S. 72(4) repealed (with effect in accordance with Sch. 19 para. 7 of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 2\(13\)](#)

F42 S. 72(6) repealed (with effect in accordance with Sch. 21 para. 10(8) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 2\(14\)](#)

Marginal Citations

M49 1992 c. 12.

*Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)*

F43 73 Regulations.

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Textual Amendments

F43 S. 73 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 365](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Settlements and estates

74 Settlements: liability of settlor.

- (1) Schedule 17 to this Act has effect with respect to settlements and the liability of the settlor, as follows—
 - Part I inserts new provisions in place of sections 660 to 676 and 683 to 685 of the Taxes Act 1988,
 - Part II makes minor and consequential amendments of that Act, and
 - Part III contains consequential amendments of other enactments.
- (2) The amendments made by Schedule 17 have effect for the year 1995-96 and subsequent years of assessment and apply to every settlement, wherever and whenever it was made or entered into.

75 Deceased persons’ estates: taxation of beneficiaries.

Part XVI of the Taxes Act 1988 (deceased persons’ estates) shall have effect with the amendments specified in Schedule 18 to this Act.

76 Untaxed income of a deceased person’s estate.

- F44(1)
- F45(2)
- F45(3)
- F46(4)
- F46(5)
- F46(6)

Textual Amendments

F44 S. 76(1) repealed (31.7.1997 with effect as mentioned in s. 36 and [Sch. 6](#) of the amending Act) by [1997 c. 58, s. 52](#), [Sch. 8 Pt. II\(11\)](#) Note (with s. 3(3))

F45 S. 76(2)(3) repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

F46 S. 76(4)-(6) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Securities

^{F47}77 Interest on gilt-edged securities payable without deduction of tax.

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Textual Amendments

F47 S. 77 repealed (31.7.1997 with effect as mentioned in Sch. 8 Pt. II(13) Note of the amending Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(13)** (with s. 3(3))

[^{F48}78 Periodic accounting for tax on interest on gilt-edged securities.

- (1) After the section 51A of the Taxes Act 1988 inserted by section 77 above there shall be inserted the following section—

“ Periodic accounting for tax on interest on gilt-edged securities.

- (1) The Treasury may by regulations provide for persons to whom payments of interest on relevant gilt-edged securities are made without deduction of tax to be required to make periodic returns to an officer of the Board of—
- (a) amounts of any payments of such interest made to that person, and
 - (b) amounts of tax for which, assuming the payments to bear tax at the basic rate for the relevant year of assessment, that person is to be accountable under the regulations in respect of those payments;
- and any such regulations may further provide for the amounts of tax required to be included in any such return to become due, at the time when the return is required to be made, from the person required to make it.
- (2) Regulations made by the Treasury for the purposes of this section may—
- (a) specify such periods as the Treasury may consider appropriate as the periods for which returns are to be made, and in respect of which any person is to account for tax, under the regulations;
 - (b) make provision for enabling returns under the regulations to be combined with returns under Schedule 16 and for requiring particulars of claims and calculations made for the purposes of the regulations to be set out in the returns;
 - (c) provide, in respect of any period for which a return is to be made by any person under the regulations, for that person to be obliged, before the end of the period, to make a payment on account of amounts that may become due from him in respect of that period;
 - (d) impose a requirement for a special return to be made for the purposes of any obligation imposed by virtue of paragraph (c) above;
 - (e) provide for the amount which, under the regulations, is to be due from any person in respect of any period to be reduced by reference to amounts which—
 - (i) are paid by or on behalf of that person under contracts or arrangements relating to transfers of gilt-edged securities;and

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- (ii) are or fall to be treated as representative of interest on those securities;
 - (f) authorise amounts in respect of which there is an obligation to account for tax under the regulations to be treated for specified purposes of the Tax Acts as payments on which a person has borne income tax by deduction;
 - (g) make provision for the assessment of amounts due under the regulations and for the repayment in specified circumstances of amounts paid under the regulations;
 - (h) make provision for interest to be payable, at such rate as may be determined by or under the regulations, on amounts that have become due under the regulations but have not been paid;
 - (i) make provision, where payments of interest on any relevant gilt-edged securities would be comprised in the income of a member of Lloyd's, for obligations that may be imposed by regulations under this section on the person to whom the interest is paid to be imposed, instead, on such other person as may be described in the regulations.
- (3) Regulations made by the Treasury for the purposes of this section may—
- (a) include provision which for the purposes of the regulations makes any provision corresponding, with or without modifications, to any of the provisions of Schedule 16;
 - (b) make provision modifying the operation of Schedule 19AB in relation to cases where payments of interest on relevant gilt-edged securities are made without deduction of tax to companies carrying on pension business;
 - (c) include provision which requires obligations and liabilities under the regulations to be treated as obligations and liabilities to which provisions of Schedule 23 to the Finance Act 1995 (UK representatives) apply; and
 - (d) include provision which, for any of the purposes of the regulations, applies provisions of sections 126 and 127 of, and Schedule 23 to, that Act in relation to times before those provisions otherwise come into force.
- (4) Regulations made by the Treasury for the purposes of this section may—
- (a) make different provision for different cases; and
 - (b) contain such supplementary, incidental, consequential and transitional provision as appears to the Treasury to be appropriate;
- and subsection (3) of section 178 of the ^{M50}Finance Act 1989 (extent of powers to set rates of interest) shall apply for the purposes of the power conferred by virtue of subsection (2)(h) above as it applies for the purposes of the power to make regulations under that section.
- (5) In this section “relevant gilt-edged securities” means securities which are gilt-edged securities within the meaning of section 51A, other than any to which a direction of the Treasury under section 50 relates.
- (6) In this section “relevant year of assessment”—
- (a) in relation to a manufactured payment, means the year of assessment in which it is received by the person to whom it is paid; and

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(b) in relation to any other payment of interest, means the year of assessment in which the payment is made;
and in this subsection “manufactured payment” means any payment which for the purposes of Schedule 23A is a payment of manufactured interest.”

(2) In the Table in section 98 of the Management Act (penalties in respect of certain information provisions), immediately before the entry in the second column relating to section 124(3) of the Taxes Act 1988 there shall be inserted the following entry—

“regulations under section 51B;”.]

Textual Amendments

F48 S. 78 repealed (31.7.1998 with effect as mentioned in s. 37(3) of the amending Act) by 1998 c. 36, s. 165, Sch. 27 Pt. III(3) Note

Marginal Citations

M50 1989 c. 26.

F49⁷⁹ Sale and repurchase of securities: exclusion from accrued income scheme.

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Textual Amendments

F49 S. 79 repealed (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), Sch. 3 Pt. 1 (with Sch. 2)

80 Treatment of price differential on sale and repurchase of securities.

F50(1)

[**F51**(2) In section 729 of that Act (sale and repurchase of securities), after subsection (5) there shall be inserted the following subsection—

“(5A) This section shall not apply where section 737A applies; and this section shall be disregarded in determining whether the condition in subsection (2)(b) of that section is fulfilled in any case.”]

F52(3)

(4) After section 263 of the ^{M51}Taxation of Chargeable Gains Act 1992 there shall be inserted the following section—

“263A Agreements for sale and repurchase of securities.

(1) Subject to subsections (2) to (4) below, in any case falling within subsection (1) of section 730A of the Taxes Act (treatment of price differential on sale and repurchase of securities) and in any case which would fall within that subsection if the sale price and the repurchase price were different—

(a) the acquisition of the securities in question by the interim holder and the disposal of those securities by him to the repurchaser, and

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)*

- (b) except where the repurchaser is or may be different from the original owner, the disposal of those securities by the original owner and any acquisition of those securities by the original owner as the repurchaser,
shall be disregarded for the purposes of capital gains tax.
- (2) Subsection (1) above does not apply in any case where the repurchase price of the securities in question falls to be calculated for the purposes of section 730A of the Taxes Act by reference to provisions of section 737C of that Act that are not in force in relation to those securities when the repurchase price becomes due.
- (3) Subsection (1) above does not apply if—
 - (a) the agreement or agreements under which provision is made for the sale and repurchase are not such as would be entered into by persons dealing with each other at arm’s length; or
 - (b) any of the benefits or risks arising from fluctuations, before the repurchase takes place, in the market value of the securities sold accrues to, or falls on, the interim holder.
- (4) Subsection (1) above does not apply in relation to any disposal or acquisition of qualifying corporate bonds in a case where the securities disposed of by the original owner or those acquired by him, or by any other person, as the repurchaser are not such bonds.
- (5) Expressions used in this section and in section 730A of the Taxes Act have the same meanings in this section as in that section.”
- (5) This section shall have effect where the agreement to sell the securities is entered into on or after the date on which this Act is passed.

Textual Amendments

F50 S. 80(1) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 2\(14\)](#)

F51 S. 80(2) repealed (29.4.1996 with effect as mentioned in s. 159(1) of the amending Act) by [1996 c. 8, s. 205](#), [Sch. 41 Pt. V\(21\)](#) Note 1

F52 S. 80(3) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 2\(14\)](#)

Marginal Citations

M51 [1992 c. 12](#).

^{F53}**81** **Manufactured interest payments: exclusion from bond-washing provisions.**

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Textual Amendments

F53 S. 81 omitted (with effect in accordance with s. 66(8) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 66\(4\)\(f\)](#)

^{F54}**82**

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)*

Textual Amendments

F54 S. 82 repealed (19.3.1997 with effect as mentioned in Sch. 10 para. 7(1) of the amending Act) by 1997 c. 16, ss. 76, 113, Sch. 18 Pt. VI(10) Note 1; S.I. 1997/991, art. 2

83 Power to make special provision for special cases.

^{F55}(1)

(2) In section 182(1) of the ^{M52}Finance Act 1993 and section 229 of the ^{M53}Finance Act 1994 (powers to modify provisions relating to Lloyd’s), the following paragraph shall be inserted, in each case, after paragraph (c)—

“(ca) for modifying the application of this Chapter in relation to cases where assets forming part of a premiums trust fund are the subject of—

- (i) any such arrangement as is mentioned in section 129(1), (2) or (2A) of the Taxes Act 1988 (stock lending etc.); or
- (ii) any such arrangements or agreements as are mentioned in section 737E(2) and (8) of the Taxes Act 1988 (sale and repurchase of securities etc.);”.

Textual Amendments

F55 S. 83(1) omitted (21.7.2008) by virtue of Finance Act 2008 (c. 9), Sch. 17 para. 35(2)(a)

Marginal Citations

M52 1993 c. 34.
M53 1994 c. 9.

^{F56}**84**

Textual Amendments

F56 S. 84 repealed (19.3.1997 with effect as mentioned in Sch. 10 para. 7(1) of the amending Act) by 1997 c. 16, ss. 76, 113, Sch. 18 Pt. VI(10) Note 1; S.I. 1997/991, art. 2

^{F57}**85**

Textual Amendments

F57 S. 85 repealed (19.3.1997 with effect as mentioned in Sch. 10 para. 7(1) of the amending Act) by 1997 c. 16, ss. 76, 113, Sch. 18 Pt. VI(10) Note 1; S.I. 1997/991, art. 2

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Interest

F⁵⁸86 Deduction of tax from interest on deposits.

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Textual Amendments

F58 S. 86 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F⁵⁹87 Interest payments deemed to be distributions.

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Textual Amendments

F59 S. 87 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Debts

[F⁶⁰88 Generalisation of ss.63 to 66 of Finance Act 1993.

- (1) In sections 63 to 66 of the ^{M54}Finance Act 1993 (deemed periodic disposal of certain debts), for “the resident company”, wherever occurring, substitute “ the creditor company ”.
- (2) After section 62 of that Act insert—

“ Application of sections 63 to 66: supplementary.

In sections 63 to 66 below as they apply by virtue of section 61 above—

- (a) “the creditor company” means the company identified in subsection (1) of that section as the person entitled to the debt (referred to there as “the resident company”); and
- (b) “the commencement date” means 1st April 1993.”.
- (3) In section 63 of that Act, omit subsection (12) (meaning of “commencement date”).
- (4) The above amendments shall be deemed always to have had effect.
- (5) Anything done before the passing of this Act under or by reference to the provisions of sections 63 to 66 of the Finance Act 1993 as originally enacted shall have effect as if done under or by reference to those provisions as amended by this section.]

Textual Amendments

F60 S. 88 repealed (29.4.1996 with effect as mentioned in [ss. 80-105](#) of the amending Act) by [1996 c. 8](#), s. 205, [Sch. 41 Pt. V\(3\)](#) Note

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Marginal Citations

M54 1993 c. 34.

[^{F61}89] Application of ss.63 to 66 to debts held by associates of banks.

- (1) A debt is a qualifying debt for the purposes of sections 63 to 66 of the ^{M55}Finance Act 1993 (deemed periodic disposal of certain debts) at any time if, at that time, the person entitled to the debt is a company which—
 - (a) is resident in the United Kingdom, and
 - (b) is an associated company of a company (whether or not itself resident in the United Kingdom) which carries on a banking business in the United Kingdom, and the debt is not an exempted debt as defined by the following provisions.
- (2) A debt is an exempted debt for those purposes at any time if at that time it is held by the company entitled to it for the purposes of long term insurance business.
- (3) A debt is an exempted debt for those purposes at any time if each of the first, second and third conditions mentioned below—
 - (a) is fulfilled at that time,
 - (b) has been fulfilled throughout so much of the period of the debt as falls before that time, and
 - (c) is likely to be fulfilled throughout so much of that period as falls after that time.
- (4) The first condition is that the terms of the debt provide that any interest carried by it shall be at a rate which falls into one, and one only, of the following categories—
 - (a) a fixed rate which is the same throughout the period of the debt,
 - (b) a rate which bears to a standard published rate the same fixed relationship throughout that period, and
 - (c) a rate which bears to a published index of prices the same fixed relationship throughout that period.
- (5) The second condition is that those terms provide for any such interest to be payable as it accrues at intervals of 12 months or less.
- (6) The third condition is that the terms of the debt are not such—
 - (a) in the case of a debt on a security, that the security is a deep discount or deep gain security, or
 - (b) in any other case, that if the debt were a debt on a security it would be a deep discount or deep gain security.

In this subsection “deep discount security” has the same meaning as in Schedule 4 to the Taxes Act 1988 and “deep gain security” has the same meaning as in Schedule 11 to the ^{M56}Finance Act 1989, disregarding paragraph 1(4)(c) of that Schedule.

- (7) In this section—

“associated company” shall be construed in accordance with section 416 of the Taxes Act 1988;

“long term insurance business” means insurance business of any of the classes specified in Schedule 1 to the ^{M57}Insurance Companies Act 1982; and

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“published index of prices” means the retail prices index or any similar general index of prices which is published by, or by an agent of, the government of any territory outside the United Kingdom.

- (8) In sections 63 to 66 of the ^{M58}Finance Act 1993 as they apply by virtue of this section “the creditor company” means the company identified in subsection (1) above as the person entitled to the debt.
- (9) In sections 63 to 66 of the ^{M59}Finance Act 1993 as they apply by virtue of this section “the commencement date” means—
- (a) in relation to a debt not falling within subsection (10) below, 29th November 1994; and
 - (b) in relation to a debt falling within that subsection, 1st April 1996.
- (10) A debt falls within this subsection if the person liable for it is—
- (a) an institution which is a higher education institution for the purposes of section 65 of the Further and Higher Education Act 1992 or Article 30 of the ^{M60}Education and Libraries (Northern Ireland) Order 1993,
 - (b) an institution which is an institution within the higher education sector for the purposes of the ^{M61}Further and Higher Education (Scotland) Act 1992, or
 - (c) a registered housing association within the meaning of the Housing Associations Act 1985 or Part II of the ^{M62}Housing (Northern Ireland) Order 1992,

and that person was so liable at the end of 28th November 1994.]

Textual Amendments

F61 S. 89 repealed (29.4.1996 with effect as mentioned in ss. 80-105 of the amending Act) by 1996 c. 8, s. 205, Sch. 41 Pt. V(3) Note

Marginal Citations

M55 1993 c. 34.
M56 1989 c. 26.
M57 1982 c. 50.
M58 1993 c. 34.
M59 1993 c. 34.
M60 1992 c. 13.
M61 1992 c. 37.
M62 1985 c. 69.

Reliefs

F6290 Relief for post-cessation expenditure.

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Textual Amendments

F62 S. 90 repealed (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), Sch. 1 para. 366, Sch. 3 Pt. 1 (with Sch. 2)

*Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)*

F6391 Employee liabilities and indemnity insurance.

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Textual Amendments

F63 Ss. 91-93 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F6392 Post-employment deductions.

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Textual Amendments

F63 Ss. 91-93 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F6393 Incidental overnight expenses etc.

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Textual Amendments

F63 Ss. 91-93 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

Capital allowances: ships

F6494

Textual Amendments

F64 S. 94 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by [2001 c. 2](#), ss. 579(1), 580, **Sch. 4**

F6595

Textual Amendments

F65 S. 95 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by [2001 c. 2](#), ss. 579(1), 580, **Sch. 4**

F6696

*Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)*

Textual Amendments

F66 S. 96 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 579(1), 580, **Sch. 4**

F67⁹⁷

Textual Amendments

F67 S. 97 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 579(1), 580, **Sch. 4**

F68⁹⁸

Textual Amendments

F68 S. 98 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 579(1), 580, **Sch. 4**

Capital allowances: other provisions

F69⁹⁹

Textual Amendments

F69 S. 99 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 579(1), 580, **Sch. 4**

F70¹⁰⁰

Textual Amendments

F70 S. 98 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 579(1), 580, **Sch. 4**

F71¹⁰¹

Textual Amendments

F71 S. 98 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 579(1), 580, **Sch. 4**

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102 Commencement of certain provisions.

- (1) Chapter IV of Part IV of the ^{M63}Finance Act 1994 (changes for facilitating self-assessment) shall be deemed to have been enacted with the following modification.
- (2) In section 218 (commencement etc. of Chapter IV, sections 213(4) and (8) and 214(4) and (6) of which relate to capital allowances) the following subsection shall be inserted after subsection (1)—
 - “(1A) In a case where—
 - (a) a trade is set up and commenced by a company, and
 - (b) it is not set up and commenced before 6th April 1994,sections 213(4) and (8) and 214(4) and (6) have effect only if it is set up and commenced on or after 6th April 1995.”

Marginal Citations

M63 1994 c. 9.

Management: self-assessment etc.

103 Liability of trustees.

- (1) In subsection (2) of section 7 of the Management Act (notice of liability)—
 - (a) for the words “a person who is” there shall be substituted the words “ persons who are ”; and
 - (b) for the words “a trustee” there shall be substituted the words “ the relevant trustees ”.
- (2) After subsection (8) of that section there shall be inserted the following subsection—
 - “(9) For the purposes of this Act the relevant trustees of a settlement are—
 - (a) in relation to income, the persons who are trustees when the income arises and any persons who subsequently become trustees; and
 - (b) in relation to chargeable gains, the persons who are trustees in the year of assessment in which the chargeable gains accrue and any persons who subsequently become trustees.”
- (3) In subsection (1) of section 8A of that Act (trustee’s return)—
 - (a) for the words “a trustee” there shall be substituted the words “ the relevant trustees ”; and
 - (b) for the words “the trustee”, in the first place where they occur, there shall be substituted the words “ any relevant trustee ”.
- (4) After subsection (4) of that section there shall be inserted the following subsection—
 - “(5) The following references, namely—
 - (a) references in section 9 or 28C of this Act to a person to whom a notice has been given under this section being chargeable to tax; and
 - (b) references in section 29 of this Act to such a person being assessed to tax,

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

shall be construed as references to the relevant trustees of the settlement being so chargeable or, as the case may be, being so assessed.”

- (5) At the beginning of Part XI of that Act (miscellaneous and supplemental) there shall be inserted the following section—

“ Settlements

107A Relevant trustees.

- (1) Subject to the following provisions of this section, anything which for the purposes of this Act is done at any time by or in relation to any one or more of the relevant trustees of a settlement shall be treated for those purposes as done at that time by or in relation to the other or others of those trustees.
- (2) Subject to subsection (3) below, where the relevant trustees of a settlement are liable—
 - (a) to a penalty under section 7, 12B, 93, 95 or 97AA of this Act or paragraph 2A of Schedule 1A to this Act, or to interest under section 103A of this Act on such a penalty;
 - (b) to make a payment in accordance with an assessment under section 30 of this Act, or to make a payment under section 59A or 59B of this Act;
 - (c) to a surcharge under section 59C of this Act, or to interest under that section on such a surcharge; or
 - (d) to interest under section 86 of this Act,
 the penalty, interest, payment or surcharge may be recovered (but only once) from any one or more of those trustees.
- (3) No amount may be recovered by virtue of subsection (2)(a) or (c) above from a person who did not become a relevant trustee until after the relevant time, that is to say—
 - (a) in relation to so much of a penalty under section 93(3) or 97AA(1) (b) of this Act as is payable in respect of any day, or to interest under section 103A of this Act on so much of such a penalty as is so payable, the beginning of that day;
 - (b) in relation to a penalty under any other provision of this Act mentioned in subsection (2)(a) above, or to interest under section 103A of this Act on such a penalty, the time when the relevant act or omission occurred; and
 - (c) in relation to a surcharge under subsection (2) or (3) of section 59C of this Act, or to interest under that section on such a surcharge, the beginning of the day mentioned in that subsection;
 and in paragraph (b) above “the relevant act or omission” means the act or omission which caused the penalty to become payable.
- (4) In a case where—
 - (a) subsection (2)(a) above applies in relation to a penalty under section 93 of this Act, or
 - (b) subsection (2)(c) above applies in relation to a surcharge under section 59C of this Act,

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

subsection (8) of section 93 or, as the case may be, subsection (9) of section 59C of this Act shall have effect as if the reference to the taxpayer were a reference to each of the relevant trustees.”

- (6) In section 118 of that Act (interpretation), after the definition of “the principal Act” there shall be inserted the following definition—

““the relevant trustees”, in relation to a settlement, shall be construed in accordance with section 7(9) of this Act.”

- (7) Unless the contrary intention appears, this section, sections 104 to 115 below and Schedule 20 to this Act—

- (a) so far as they relate to income tax and capital gains tax, have effect as respects the year 1996-97 and subsequent years of assessment, and
(b) so far as they relate to corporation tax, have effect as respects accounting periods ending on or after the appointed day for the purposes of Chapter III of Part IV of the ^{M64}Finance Act 1994.

Marginal Citations

M64 1994 c. 9.

104 Returns and self-assessments.

- (1) In each of the following, namely—

- (a) subsection (1A) of section 8 of the Management Act (personal return); and
(b) subsection (1A) of section 8A of that Act (trustee’s return),

there shall be inserted at the end the words “ and the amounts referred to in that subsection are net amounts, that is to say, amounts which take into account any relief, allowance or repayment of tax for which a claim is made and give credit for any income tax deducted at source and any tax credit to which section 231 of the principal Act applies ”.

- (2) In subsection (1B) of section 8 of that Act, for the word “loss” there shall be substituted the words “ loss, tax, credit ”.

- (3) After subsection (4) of that section there shall be inserted the following subsection—

“(5) In this section and sections 8A, 9 and 12AA of this Act, any reference to income tax deducted at source is a reference to income tax deducted or treated as deducted from any income or treated as paid on any income.”

- (4) In subsection (1) of section 9 of that Act (returns to include self-assessment), for the words “on the basis of the information contained in the return” there shall be substituted the following paragraphs—

- “(a) on the basis of the information contained in the return; and
(b) taking into account any relief, allowance or repayment of tax a claim for which is included in the return and giving credit for any income tax deducted at source and any tax credit to which section 231 of the principal Act applies.”.

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- [^{F72}(5) In subsection (1) of section 11AA of that Act (return of profits to include self-assessment), for the words “on the basis of the information contained in the return” there shall be substituted the following paragraphs—
- “(a) on the basis of the information contained in the return; and
 - (b) taking into account any relief, allowance or repayment of tax a claim for which is included in the return.”.]
- (6) For subsection (1) of section 12AA of that Act (partnership return) there shall be substituted the following subsections—
- “(1) Where a trade, profession or business is carried on by two or more persons in partnership, for the purpose of facilitating the establishment of the following amounts, namely—
 - (a) the amount in which each partner chargeable to income tax for any year of assessment is so chargeable, and
 - (b) the amount in which each partner chargeable to corporation tax for any period is so chargeable,
 an officer of the Board may act under subsection (2) or (3) below (or both).
 - (1A) The amounts referred to in paragraphs (a) and (b) of subsection (1) above are net amounts, that is to say, amounts which—
 - (a) take into account any relief, allowance or repayment of tax for which a claim is made; and
 - (b) in the case of the amount referred to in paragraph (a) of that subsection, give credit for any income tax deducted at source and any tax credit to which section 231 of the principal Act applies.”
- (7) For subsection (1) of section 12AB of that Act (partnership return to include partnership statement) there shall be substituted the following subsection—
- “(1) Every return under section 12AA of this Act shall include a statement (a partnership statement) of the following amounts, namely—
 - (a) in the case of each period of account ending within the period in respect of which the return is made—
 - (i) the amount of income or loss from each source which, on the basis of the information contained in the return and taking into account any relief or allowance a section 42(7) claim for which is included in the return, has accrued to or has been sustained by the partnership for that period,
 - (ii) each amount of income tax which, on that basis, has been deducted or treated as deducted from any income of the partnership, or treated as paid on any such income, for that period,
 - (iii) the amount of each tax credit which, on that basis, has accrued to the partnership for that period, and
 - (iv) the amount of each charge which, on that basis, was a charge on the income of the partnership for that period; and
 - (b) in the case of each such period and each of the partners, the amount which, on that basis and (where applicable) taking into account any such relief or allowance, is equal to his share of that income, loss, tax, credit or charge.”

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

(8) In subsection (5) of that section, after the definition of “period of account” there shall be inserted the following definitions—

““section 42(7) claim” means a claim under any of the provisions mentioned in section 42(7) of this Act;

“tax credit” means a tax credit to which section 231 of the principal Act applies.”

Textual Amendments

F72 S. 104(5) repealed (31.7.1998 with effect as mentioned in Sch. 27 Pt. III(28) Note of the amending Act) by 1998 c. 36, s. 165, Sch. 27 Pt. III(28) Note; S.I. 1998/3173, art. 2

105 Records for purposes of returns.

(1) In subsection (1) of section 12B of the Management Act (records to be kept for purposes of returns), for paragraph (b) there shall be substituted the following paragraph—

“(b) preserve those records until the end of the relevant day, that is to say, the day mentioned in subsection (2) below or, where a return is required by a notice given on or before that day, whichever of that day and the following is the latest, namely—

(i) where enquiries into the return or any amendment of the return are made by an officer of the Board, the day on which, by virtue of section 28A(5) or 28B(5) of this Act, those enquiries are treated as completed; and

(ii) where no enquiries into the return or any amendment of the return are so made, the day on which such an officer no longer has power to make such enquiries.”

(2) In subsection (2) of that section, the words from “or, where a return” to the end shall cease to have effect.

(3) After that subsection there shall be inserted the following subsection—

“(2A) Any person who—

(a) is required, by such a notice as is mentioned in subsection (1) above given at any time after the end of the day mentioned in subsection (2) above, to make and deliver a return for a year of assessment or other period; and

(b) has in his possession at that time any records which may be requisite for the purpose of enabling him to make and deliver a correct and complete return for the year or period,

shall preserve those records until the end of the relevant day, that is to say, the day which, if the notice had been given on or before the day mentioned in subsection (2) above, would have been the relevant day for the purposes of subsection (1) above.”

(4) In subsection (3) of that section—

(a) in paragraph (a), after the words “subsection (1)” there shall be inserted the words “ or (2A) ”; and

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

^{F73}(b)

- (5) In subsection (4) of that section, after the words “subsection (1)” there shall be inserted the words “ or (2A) ”.
- (6) In subsection (5) of that section—
- (a) at the beginning there shall be inserted the words “ Subject to subsection (5A) below, ”; and
 - (b) after the words “subsection (1)” there shall be inserted the words “ or (2A) ”.
- (7) After that subsection there shall be inserted the following subsection—
- “(5A) Subsection (5) above does not apply where the records which the person fails to keep or preserve are records which might have been requisite only for the purposes of claims, elections or notices which are not included in the return.”

Textual Amendments

F73 S. 105(4)(b) omitted (1.4.2009) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 115(2), [Sch. 37 para. 11\(a\)](#); [S.I. 2009/402](#), art. 2

106 Return of employees’ emoluments etc.

- (1) For section 15 of the Management Act there shall be substituted the following section—

“15 Return of employees’ emoluments etc.

- (1) Every employer, when required to do so by notice from an officer of the Board, shall, within the time limited by the notice, prepare and deliver to the officer a return relating to persons who are or have been employees of his, containing the information required under the following provisions of this section.
- (2) An employer shall not be required to include in his return information relating to any year of assessment if the notice is given more than five years after the 31st January next following that year.
- (3) A notice under subsection (1) above—
 - (a) shall specify the employees for whom a return is to be made and may, in particular, specify individuals (by name or otherwise) or all employees of an employer or all his employees who are or have been in employment to which Chapter II of Part V of the principal Act applies; and
 - (b) shall specify the years of assessment or other periods with respect to which the information is to be provided.
- (4) A notice under subsection (1) above may require the return to state the name and place of residence of an employee to whom it relates.
- (5) A notice under subsection (1) above may require the return to contain, in respect of an employee to whom it relates, the following particulars—
 - (a) in the case of relevant payments made by the employer, particulars of the payments;

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- (b) in the case of relevant payments not falling within paragraph (a) above the making of which by another person has been arranged by the employer—
 - (i) particulars of the payments; and
 - (ii) the name and business address of the other person; and
 - (c) in the case of relevant payments not falling within either of the preceding paragraphs, the name and business address of any person who has, to the employer's knowledge, made the payments.
- (6) Any payments made to an employee in respect of his employment are relevant payments for the purposes of this section, including—
- (a) payments to him in respect of expenses (including sums put at his disposal and paid away by him);
 - (b) payments made on his behalf and not repaid; and
 - (c) payments to him for services rendered in connection with a trade or business, whether the services were rendered in the course of his employment or not.
- (7) Where, for the purposes of his return, an employer apportions expenses incurred partly in or in connection with a particular matter and partly in or in connection with other matters—
- (a) the return shall contain a statement that the sum included in the return is the result of such an apportionment; and
 - (b) if required to do so by notice from an officer of the Board, the employer shall prepare and deliver to the officer, within the time limited by the notice, a return containing full particulars as to the amount apportioned and the manner in which, and the grounds on which, the apportionment has been made.
- (8) A notice under subsection (1) above may require the return—
- (a) to state in respect of an employee to whom it relates whether any benefits are or have been provided for him (or for any other person) by reason of his employment, such as may give rise to charges to tax under the relevant sections, that is to say, sections 141, 142, 143, 144A, 145, 146 and 154 to 165 of the principal Act (miscellaneous benefits in cash or in kind); and
 - (b) if such benefits are or have been provided, to contain such particulars of those benefits as may be specified in the notice.
- (9) Where such benefits are provided the notice may, without prejudice to subsection (8)(b) above, require the return to contain the following particulars—
- (a) in the case of benefits which are or have been provided by the employer, particulars of the amounts which may be chargeable to tax by virtue of the relevant sections;
 - (b) in the case of benefits not falling within paragraph (a) above the provision of which by another person is or has been arranged by the employer—
 - (i) particulars of the amounts which may be so chargeable; and
 - (ii) the name and business address of the other person; and

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- (c) in the case of benefits not falling within either of the preceding paragraphs, the name and business address of any person who has, to the employer's knowledge, provided the benefits.
- (10) Where it appears to an officer of the Board that a person has, in any year of assessment, been concerned in making relevant payments to, or providing benefits to or in respect of, employees of another, the officer may at any time up to five years after the 31st January next following that year by notice require that person—
- (a) to deliver to the officer, within the time limited by the notice, such particulars of those payments or benefits, or of the amounts which may be chargeable to tax in respect of the benefits, as may be specified in the notice (so far as known to him); and
 - (b) to include with those particulars the names and addresses (so far as known to him) of the employees concerned.
- (11) In determining, in pursuance of a notice under subsection (1) or (10) above, amounts which may be chargeable to tax by virtue of the relevant sections, a person—
- (a) shall not make—
 - (i) any deduction or other adjustment which he is unable to show, by reference to information in his possession or otherwise available to him, is authorised or required by the relevant sections; or
 - (ii) any deduction authorised by section 141(3), 142(2), 145(3) or 156(8) of the principal Act; but
 - (b) subject to that, shall make all such deductions and other adjustments as may be authorised or required by the relevant sections.
- (12) Where the employer is a body of persons, the secretary of the body or other officer (by whatever name called) performing the duties of secretary shall be treated as the employer for the purposes of this section.
- Where the employer is a body corporate, that body corporate, as well as the secretary or other officer, shall be liable to a penalty for failure to comply with this section.
- (13) In this section—
- “arranged” includes guaranteed and in any way facilitated;
 - “employee” means an office holder or employee whose emoluments fall to be assessed under Schedule E, and related expressions are to be construed accordingly;
 - “relevant payments” has the meaning given by subsection (6) above; and
 - “the relevant sections” has the meaning given by subsection (8)(a) above.”
- (2) This section has effect as respects payments made or benefits provided on or after 6th April 1996.

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

107 Procedure for making claims etc.

- (1) After subsection (1) of section 42 of the Management Act (procedure for making claims etc.) there shall be inserted the following subsection—

“(1A) Subject to subsection (3) below, a claim for a relief, an allowance or a repayment of tax shall be for an amount which is quantified at the time when the claim is made.”

- (2) In subsection (2) of that section, for the words “subsection (3)” there shall be substituted the words “ subsections (3) and (3A) ”.

- (3) In subsection (3) of that section, for the words “Subsection (2)” there shall be substituted the words “ Subsections (1A) and (2) ”.

- (4) After subsection (3) of that section there shall be inserted the following subsections—

“(3A) Where a person makes a claim requiring relief for a loss incurred or treated as incurred, or a payment made, in one year of assessment (“the later year”) to be given in an earlier year of assessment (“the earlier year”)—

- (a) subsection (2) above shall not apply in relation to the claim;
- (b) the claim shall be made in relation to the later year;
- (c) the claim shall be for an amount equal to the difference between—
 - (i) the amount in which he has been assessed to tax under section 9 of this Act for the earlier year; and
 - (ii) the amount in which he would have been so assessed if the claim could have been, and had been, included in a return made under section 8 or 8A of this Act for that year; and
- (d) effect shall be given to the claim in relation to the later year, whether by repayment or set-off, or by an addition to the aggregate amount given by section 59B(1)(b) of this Act, or otherwise.

(3B) Where no notice under section 8 or 8A of this Act has been given to the person for the earlier year, subsection (3A)(c) above shall have effect as if—

- (a) sub-paragraph (i) referred to the amount in which he would have been assessed to tax under section 9 of this Act for that year if such a notice had been so given; and
- (b) sub-paragraph (ii) referred to the amount in which he would have been so assessed if such a notice had been so given and the claim could have been, and had been, included in a return made under section 8 or 8A of this Act for that year.”

[^{F74}(5) In subsection (4) of that section, there shall be inserted at the beginning the words “ Subject to subsection (4A) below, ”.]

[^{F74}(6) After subsection (4) of that section there shall be inserted the following subsection—

“(4A) Subsection (4) above shall not apply where—

- (a) the company is wholly exempt from corporation tax or is only not so exempt in respect of trading income; and
- (b) the tax credit is not one in respect of which a payment on account may be claimed by the company under Schedule 19AB to the principal Act.”]

Status: This version of this Act contains provisions that are prospective.

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- (7) In subsection (5) of that section, for the words “subsections (2) and (4) above” there shall be substituted the words “ this section ”.
- (8) In subsection (7)(a) of that section, for the words “sections 84” there shall be substituted the words “ sections 62A, 84 ”.
- (9) In subsection (10) of that section, after the words “This section” there shall be inserted the words “ (except subsection (1A) above) ”.
- (10) In subsection (11) of that section, paragraph (b) and the word “and” immediately preceding that paragraph shall cease to have effect.
- (11) Schedule 1A to that Act (claims etc. not included in returns) shall have effect subject to the amendments specified in Schedule 20 to this Act.

Textual Amendments

- F74** S. 107(5)(6) repealed (31.7.1997 with effect as mentioned in Sch. 4 paras. 2, 3 of the amending Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(9)** Note 1 (with s. 3(3)); S. 107(5)(6) expressed to be repealed (31.7.1998 with effect as mentioned in Sch. 27 Pt. III(28) Note of the amending Act) by 1998 c. 36, s. 165, **Sch. 27 Pt. III(28)** Note; S.I. 1998/3173, **art. 2**

^{F75F76}**108 Payments on account of income tax.**

Textual Amendments

- F75** S. 108 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1)**, s. 723, **Sch. 8 Pt. 1** (with Sch. 7)
- F76** S. 108 restored (22.7.2004) by **Finance Act 2004 (c. 12)**, **Sch. 17 para. 6(1)** (with Sch. 17 para. 6(2))

109 Surcharges on unpaid tax.

- (1) In section 59C of the Management Act (surcharges on unpaid income tax and capital gains tax), in subsection (4) (exceptions to surcharge), for the words “or 95” there shall be substituted the words “ , 95 or 95A ”.
- (2) That section of that Act shall apply in relation to any income tax or capital gains tax which—
 - (a) is charged by an assessment made on or after 6th April 1998; and
 - (b) is for the year 1995-96 or an earlier year of assessment,
 as it applies in relation to any income tax or capital gains tax which becomes payable in accordance with section 55 or 59B of that Act and is for the year 1996-97 or a subsequent year of assessment.

110 Interest on overdue tax.

- (1) For section 86 of the Management Act there shall be substituted the following section—

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

“86 Interest on overdue income tax and capital gains tax.

- (1) The following, namely—
 - (a) any amount on account of income tax which becomes due and payable in accordance with section 59A(2) of this Act, and
 - (b) any income tax or capital gains tax which becomes due and payable in accordance with section 55 or 59B of this Act,shall carry interest at the rate applicable under section 178 of the ^{M65}Finance Act 1989 from the relevant date until payment.
- (2) For the purposes of subsection (1)(a) above the relevant date is whichever of the dates mentioned in section 59A(2) of this Act is applicable; and for the purposes of subsection (1)(b) above the relevant date is—
 - (a) in any such case as is mentioned in subsection (3) of section 59B of this Act, the last day of the period of three months mentioned in that subsection; and
 - (b) in any other case, the date mentioned in subsection (4) of that section.
- (3) Subsection (1) above applies even if the relevant date is a non-business day within the meaning of section 93 of the ^{M66}Bills of Exchange Act 1882.
- (4) Subsection (5) below applies where as regards a year of assessment—
 - (a) any person makes a claim under subsection (3) or (4) of section 59A of this Act in respect of the amounts (the section 59A amounts) payable by him in accordance with subsection (2) of that section, and
 - (b) an amount (the section 59B amount) becomes payable by him in accordance with section 59B(3), (4) or (5) of this Act.
- (5) Interest shall be payable under this section as if each of the section 59A amounts had been equal to—
 - (a) the aggregate of that amount and 50 per cent. of the section 59B amount, or
 - (b) the amount which would have been payable in accordance with subsection (2) of section 59A of this Act if the claim under subsection (3) or (4) of that section had not been made,whichever is the less.
- (6) In determining for the purposes of subsections (4) and (5) above what amount (if any) is payable by any person in accordance with section 59B(3), (4) or (5) of this Act—
 - (a) it shall be assumed that both of the section 59A amounts have been paid, and
 - (b) no account shall be taken of any amount which has been paid on account otherwise than under section 59A(2) of this Act or is payable by way of capital gains tax.
- (7) Subsection (8) below applies where as regards any person and a year of assessment—
 - (a) amounts (the section 59A amounts) become payable by him in accordance with section 59A(2) of this Act, and

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)*

- (b) an amount (the section 59B amount) becomes repayable to him in accordance with section 59B (3), (4) or (5) of this Act.
- (8) So much of any interest payable under this section on either of the section 59A amounts as is not attributable to the amount by which that amount exceeds 50 per cent. of the section 59B amount shall be remitted.
- (9) In determining for the purposes of subsections (7) and (8) above what amount (if any) is repayable to any person in accordance with section 59B(3), (4) or (5) of this Act, no account shall be taken of any amount which has been paid on account otherwise than under section 59A(2) of this Act or is payable by way of capital gains tax.”
- (2) That section of that Act shall apply in relation to any income tax or capital gains tax which—
 - (a) is charged by an assessment made on or after 6th April 1998; and
 - (b) is for the year 1995-96 or an earlier year of assessment,
 as it applies in relation to any income tax or capital gains tax which becomes due and payable in accordance with section 55 or 59B of that Act and is for the year 1996-97 or a subsequent year of assessment.
- (3) In that section of that Act as it so applies, “the relevant date” means the 31st January next following the year of assessment.
- [^{F77}(4) So far as it relates to partnerships whose trades, professions or businesses were set up and commenced before 6th April 1994, subsection (1) above has effect as respects the year 1997-98 and subsequent years of assessment.]

Textual Amendments
F77 S. 110(4) inserted (*retrospectively*) by 1996 c. 8, s. 131(1)

Marginal Citations
M65 1989 c. 26.
M66 1882 c. 61.

^{F78}**111 Assessments in respect of income taken into account under PAYE.**

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Textual Amendments
F78 S. 111 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

112 Recovery of certain amounts deducted or paid under MIRAS.

- (1) After section 374 of the Taxes Act 1988 there shall be inserted the following section—

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

“374A Interest which never has been relevant loan interest etc.

- (1) This section applies where, in the case of any loan, interest on the loan never has been relevant loan interest or the borrower never has been a qualifying borrower.
 - (2) Without prejudice to subsection (3) below, in relation to a payment of interest—
 - (a) as respects which either of the conditions mentioned in paragraphs (a) and (b) of section 374(1) is fulfilled, and
 - (b) from which a deduction was made as mentioned in section 369(1), section 369 shall have effect as if the payment of interest were a payment of relevant loan interest made by a qualifying borrower.
 - (3) Nothing in subsection (2) above shall be taken as regards the borrower as entitling him to make any deduction or to retain any amount deducted and, accordingly, where any amount has been deducted, he shall be liable to make good that amount and an officer of the Board may make such assessments as may in his judgment be required for recovering that amount.
 - (4) The Management Act shall apply to an assessment under subsection (3) above as if it were an assessment to income tax for the year of assessment in which the deduction was made and as if—
 - (a) the assessment were among those specified in section 55(1) of that Act (recovery of tax not postponed);
 - (b) the assessment were made for the purpose of making good to the Crown a loss of tax wholly attributable to such a failure or error as is mentioned in subsection (1) of section 88 of that Act (interest on tax recovered to make good loss due to taxpayer’s fault); and
 - (c) for the purposes of that section the date when the tax ought to have been paid were the 1st December following the year of assessment.
 - (5) If the borrower fraudulently or negligently makes any false statement or representation in connection with the making of any deduction, he shall be liable to a penalty not exceeding the amount deducted.”
- (2) In subsection (2) of section 375 of that Act (interest ceasing to be relevant loan interest etc.), after paragraph (a) there shall be inserted the following paragraph—
- “(aa) as respects which any of the conditions mentioned in section 374(1) is fulfilled, and”.
- (3) For subsection (4) of that section there shall be substituted the following subsections—
- “(4) The Management Act shall apply to an assessment under subsection (3) above as it applies, by virtue of subsection (4) of section 374A, to an assessment under subsection (3) of that section.
- (4A) If there is any unreasonable delay in the giving of a notice under subsection (1) above, the borrower shall be liable to a penalty not exceeding so much of the aggregate amount that he is liable to make good under subsection (3) above as is attributable to that delay.”
- (4) After subsection (8) of that section there shall be inserted the following subsection—

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

“(8A) In any case where an amount to which a person is not entitled is paid to him by the Board in pursuance of regulations made by virtue of subsection (8) above, regulations may—

- (a) provide for an officer of the Board to make such assessments as may in his judgment be required for recovering that amount from that person; and
- (b) make provision corresponding to that made by subsection (4A) above and subsections (4) and (5) of section 374A.”

(5) This section applies in relation to deductions made by borrowers, and payments made by the Board, after the passing of this Act.

113 Allowable losses: capital gains tax.

(1) After subsection (2) of section 16 of the ^{M67}Taxation of Chargeable Gains Act 1992 (computation of losses) there shall be inserted the following subsection—

“(2A) A loss accruing to a person in a year of assessment shall not be an allowable loss for the purposes of this Act unless, in relation to that year, he gives a notice to an officer of the Board quantifying the amount of that loss; and sections 42 and 43 of the Management Act shall apply in relation to such a notice as if it were a claim for relief.”

(2) Deductions under that Act in respect of allowable losses shall be given preference as follows—

- (a) a deduction in respect of a loss accruing to a person in the year 1996-97 or a subsequent year of assessment shall be preferred to a deduction in respect of a loss accruing to him in an earlier year of assessment; and
- (b) a deduction in respect of a loss accruing to a company in an accounting period ending on or after the appointed day for the purposes of Chapter III of Part IV of the ^{M68}Finance Act 1994 shall be preferred to a deduction in respect of a loss accruing to the company in an accounting period ending before that day.

Modifications etc. (not altering text)

C1 S. 113(2) excluded (27.7.1999) by 1992 c. 12, s. 71(2C) (as substituted (27.7.1999) by 1999 c. 16, s. 75(1))

Marginal Citations

M67 1992 c. 12.

M68 1994 c. 9.

114 Liability of trustees and personal representatives: capital gains tax.

(1) For subsection (1) of section 65 of the ^{M69}Taxation of Chargeable Gains Act 1992 (liability for tax of trustees and personal representatives) there shall be substituted the following subsection—

“(1) Subject to subsection (3) below, capital gains tax chargeable in respect of chargeable gains accruing to the trustees of a settlement or capital gains tax due from the personal representatives of a deceased person may be assessed

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

and charged on and in the name of any one or more of the relevant trustees or the relevant personal representatives.”

(2) After subsection (2) of that section there shall be inserted the following subsections—

“(3) Where section 80 applies as regards the trustees of a settlement (“the migrating trustees”), nothing in subsection (1) above shall enable any person—

(a) who ceased to be a trustee of the settlement before the end of the relevant period, and

(b) who shows that, when he ceased to be a trustee of the settlement, there was no proposal that the trustees might become neither resident nor ordinarily resident in the United Kingdom,

to be assessed and charged to any capital gains tax which is payable by the migrating trustees by virtue of section 80(2).

(4) In this section—

“the relevant period” has the same meaning as in section 82;

“the relevant trustees”, in relation to any chargeable gains, means the trustees in the year of assessment in which the chargeable gains accrue and any subsequent trustees of the settlement, and “the relevant personal representatives” has a corresponding meaning.”

Marginal Citations

M69 1992 c. 12.

115 Minor amendments and repeals.

- (1) In subsection (7) of section 7 of the Management Act (notice of liability), for the words “income from which” there shall be substituted the words “ income on which ”.
- (2) In subsection (3) of section 9 of that Act (returns to include self-assessment), the words “the following provisions of” shall cease to have effect.
- (3) Section 11A of that Act (notice of liability to capital gains tax) shall cease to have effect.
- (4) In subsection (2) of section 12AA of that Act (partnership return), for the words “such accounts and statements” there shall be substituted the words “ such accounts, statements and documents, relating to information contained in the return, ”.
- (5) In subsection (1)(c) of section 30B of that Act (amendment of partnership statement where loss of tax discovered), after the word “relief” there shall be inserted the words “ or allowance ”.
- (6) In subsection (6) of section 59B of that Act (payment of income tax and capital gains tax), for the words “under section 29 of this Act shall” there shall be substituted the words “ otherwise than under section 9 of this Act shall, unless otherwise provided, ”.
- (7) In subsection (1) of section 100B of that Act (appeals against penalty determinations), after the words “95A of this Act” there shall be inserted the word “ and ”.
- (8) In section 103A of that Act (interest on penalties), for the words “Part II or VA” there shall be substituted the words “ Part II, IV or VA ”.

*Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)*

- (9) Section 73 of the Taxes Act 1988 (single assessments for purposes of Cases III, IV and V of Schedule D) shall cease to have effect.
- (10) In sections 536 and 537B of that Act (taxation of royalties where owner abroad)—
 - (a) in subsection (2) (exemption from requirement to deduct tax from royalties), the words “are shown on a claim to” shall cease to have effect; and
 - (b) in subsection (4) (deduction of tax where agent’s commission unknown), the words from “and in that case” to the end shall cease to have effect.
- (11) In Schedule 3 to that Act (machinery for assessment, charge and payment of income tax under Schedule C and, in certain cases, Schedule D), in paragraph 6E, subparagraphs (1) and (3) shall cease to have effect.
- (12) Section 7 of the ^{M70}Taxation of Chargeable Gains Act 1992 (time for payment of capital gains tax) shall cease to have effect.
- (13) Subsection (3) above has effect as respects the year 1995-96 and subsequent years of assessment.

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Marginal Citations
M70 1992 c. 12.

116 Transitional provisions.

- (1) The provisions of the Management Act specified in Schedule 21 to this Act shall have effect subject to the transitional provisions contained in that Schedule.
- (2) Section 198 of the ^{M71}Finance Act 1994 (which is superseded by this section) shall cease to have effect.

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Marginal Citations
M71 1994 c. 9.

Changes for facilitating self-assessment

^{F79}**117 Treatment of partnerships.**

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Textual Amendments
F79 S. 117 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

^{F80}**118 Loss relief: general.**

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Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Textual Amendments

F80 S. 118 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F81}119 Relief for losses on unquoted shares.

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Textual Amendments

F81 S. 119 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F82}120 Relief for pre-trading expenditure.

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Textual Amendments

F82 S. 120 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

^{F83}121 Basis of apportionment for Cases I, II and VI of Schedule D.

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Textual Amendments

F83 S. 121 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

^{F84}122 Amendments of transitional provisions.

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Textual Amendments

F84 S. 122 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), **Sch. 3** (with Sch. 2)

123 Prevention of exploitation of transitional provisions.

Schedule 22 to this Act shall have effect for preventing the exploitation of, and (in certain cases) penalising attempts to exploit, the transitional provisions set out in paragraphs [^{F85}52 and 53 of Schedule 2 to the [Income Tax \(Trading and Other Income\) Act 2005](#)] (changes for facilitating self-assessment: transitional provisions and savings).

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Textual Amendments

F85 Words in s. 123 substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 478](#) (with [Sch. 2](#))

Change of residence and non-residents

^{F86}124 Change of residence.

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Textual Amendments

F86 S. 124 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

^{F87}125 Non-resident partners.

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Textual Amendments

F87 S. 125 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

^{F88}126 UK representatives of non-residents.

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Textual Amendments

F88 S. 126 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 8 para. 277](#), [Sch. 10 Pt. 11](#) (with [Sch. 9 paras. 1-9, 22](#))

^{F89}127 Persons not treated as UK representatives.

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Textual Amendments

F89 S. 127 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 8 para. 278](#), [Sch. 10 Pt. 11](#) (with [Sch. 9 paras. 1-9, 22](#))

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

F90 128 Limit on income chargeable on non-residents: income tax.

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Textual Amendments

F90 S. 128 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), Sch. 1 para. 368, [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F91 129 Limit on income chargeable on non-residents: corporation tax.

.....

Textual Amendments

F91 S. 129 repealed (with effect in relation to accounting periods beginning on or after 1.1.2003 in accordance with s. 155(2) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), Sch. 27 para. 7, [Sch. 43 Pt. 3\(6\)](#)

Exchange gains and losses and currency contracts

130 Exchange gains and losses: general.

Schedule 24 to this Act (which amends the provisions of the ^{M72}Finance Act 1993 relating to exchange gains and losses and other provisions connected with exchange gains and losses) shall have effect.

Marginal Citations

M72 1993 c. 34.

131 Exchange gains and losses: transitional provision.

F92

Textual Amendments

F92 S. 131 repealed (24.7.2002 with effect as mentioned in [s.79\(3\)](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss 79, 141, [Sch. 23 para. 22\(2\)](#), [Sch. 40 Pt. 3\(10\)](#) Note 2 (with Sch. 23 para. 25)

132 Currency contracts: transitional provisions.

F93

Textual Amendments

F93 S. 132 repealed (24.7.2002 with effect as mentioned in Sch. 40 Pt. 3(13) Note 2 of the amending Act) by [Finance Act 2002 \(c. 23\)](#), s. 141, [Sch. 40 Pt 3\(13\)](#) Note 2

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Provisions with a foreign element

133 Controlled foreign companies.

Schedule 25 to this Act (which contains amendments of Chapter IV of Part XVII of the Taxes Act 1988 and connected amendments) shall have effect.

^{F94}**134 Offshore funds.**

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Textual Amendments

F94 S. 134 repealed (with effect in accordance with art. 1(2)(3) Sch. 1 of the amending S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), reg. 1(1), **Sch. 2**

Miscellaneous

^{F95}**135 Change in ownership of investment company: deductions.**

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Textual Amendments

F95 S. 135 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

[^{F96}**136 Profit-related pay.**

- (1) In Schedule 8 to the Taxes Act 1988 (profit-related pay schemes) paragraph 19 (ascertainment of profits) shall be amended in accordance with subsections (2) to (4) below.
- (2) In sub-paragraph (6) (cases where scheme may provide for departure from requirements applicable to profit and loss account) paragraphs (g) to (k) (extraordinary items) shall be omitted.
- (3) After paragraph (ff) of sub-paragraph (6) there shall be inserted—
 - “(1) any exceptional items which fall within sub-paragraph (6A) below and should in accordance with any accounting practices regarded as standard be shown separately on the face of the profit and loss account.”
- (4) After sub-paragraph (6) there shall be inserted—
 - “(6A) The items are—
 - (a) profits or losses on the sale or termination of an operation;
 - (b) costs of a fundamental reorganisation or restructuring having a material effect on the nature and focus of the employment unit’s operations;
 - (c) profits or losses on the disposal of fixed assets; and

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- (d) the effect on tax of any of the items mentioned in paragraphs (a) to (c) above.”
- (5) Subject to subsections (6) to (10) below, subsections (2) to (4) above shall have effect in relation to the preparation, for the purposes of a scheme, of a profit and loss account in respect of a period beginning on or after the day on which this Act is passed.
- (6) Subsections (2) to (4) above shall not have effect in relation to an existing scheme unless, before the end of the period of 6 months beginning with the day on which this Act is passed, the scheme is altered to take account of the amendments made by those subsections.
- (7) Subsections (8) to (10) below apply where, before the end of the period mentioned in subsection (6) above, an existing scheme is altered as mentioned in that subsection.
- (8) The provision made by the scheme in compliance with paragraph 20(1) of Schedule 8 to the Taxes Act 1988 shall not prevent a profit and loss account being prepared in accordance with the alteration.
- (9) Where the distributable pool would but for this subsection be determined by reference—
- (a) to an amount shown in a profit and loss account prepared in accordance with the altered scheme, and
- (b) to an amount shown in a profit and loss account (“an earlier account”) prepared in accordance with the scheme in a form in which it stood before the alteration,
- then, for the purposes of the determination of the pool, the amount shown in the earlier account shall be recalculated using the same method as that used to calculate the amount mentioned in paragraph (a) above.
- (10) The alteration of the existing scheme shall be treated as being within subsection (8) of section 177B of the Taxes Act 1988 (alterations which are registrable and which once registered cannot give rise to Board’s power of cancellation).
- (11) In subsections (6) to (10) above “an existing scheme” means a scheme which, immediately before the day on which this Act is passed, is registered under Chapter III of Part V of the Taxes Act 1988.
- (12) After paragraph 19 of Schedule 8 to the Taxes Act 1988 there shall be inserted—
- “19A (1) The Treasury may by order amend paragraph 19 above so as to add to, delete or vary any of the items mentioned in sub-paragraph (6) of that paragraph.
- (2) In this paragraph references to an order are references to an order under sub-paragraph (1) above.
- (3) Subject to sub-paragraphs (4) to (8) below, any amendment or amendments made by virtue of an order shall have effect in relation to the preparation, for the purposes of a scheme, of a profit and loss account in respect of a period beginning on or after the day on which the order comes into force.
- (4) Any amendment or amendments made by virtue of an order shall not have effect in relation to an existing scheme unless, before the end of the period

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of 6 months beginning with the day on which the order comes into force, the scheme is altered to take account of the amendment or amendments.

- (5) Sub-paragraphs (6) to (8) below apply where, before the end of the period mentioned in sub-paragraph (4) above, an existing scheme is altered as mentioned in that sub-paragraph.
- (6) The provision made by the scheme in compliance with paragraph 20(1) below shall not prevent a profit and loss account being prepared in accordance with the alteration.
- (7) Where the distributable pool would but for this sub-paragraph be determined by reference—
 - (a) to an amount shown in a profit and loss account prepared in accordance with the altered scheme, and
 - (b) to an amount shown in a profit and loss account (“an earlier account”) prepared in accordance with the scheme in a form in which it stood before the alteration,
 then, for the purposes of the determination of the pool, the amount shown in the earlier account shall be recalculated using the same method as that used to calculate the amount mentioned in paragraph (a) above.
- (8) The alteration of the existing scheme shall be treated as being within subsection (8) of section 177B.
- (9) An order may include such supplementary, incidental or consequential provisions as appear to the Treasury to be necessary or expedient.
- (10) In this paragraph “an existing scheme”, in relation to an order, means a scheme which, immediately before the day on which the order comes into force, is a registered scheme.”]

Textual Amendments

F96 S. 136 repealed (19.3.1997 with effect as mentioned in Sch. 18 Pt. VI(3) Notes 1,2 of the amending Act) by 1997 c. 16, s. 113, Sch. 18 Pt. VI(3) Notes 1-3

137 Part-time workers: miscellaneous provisions.

[^{F97}(1) In Schedule 8 to the Taxes Act 1988 (profit-related pay schemes) paragraph 8(a) (employees working less than 20 hours a week excluded by scheme from receiving profit-related pay) shall be omitted.]

^{F98}(2)

^{F98}(3)

(4) In Part V of Schedule 9 to the Taxes Act 1988 (profit sharing schemes) in paragraph 36(1)(a) (certain full-time employees and directors must be eligible to participate in scheme on similar terms) for the words “a full-time employee” there shall be substituted “an employee”.

(5) In Schedule 5 to the ^{M73}Finance Act 1989 (employee share ownership trusts) in paragraph 4(2)(c) (trust deed must provide that certain persons are beneficiaries if they work at rate of at least 20 hours a week) for the words “at that given time he worked

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as an employee or” there shall be substituted “ in the case of a director, at that given time he worked as a ”.

[^{F97}(6) Subsection (1) above shall apply in relation to any scheme not registered before the day on which this Act is passed.]

(7) [^{F99}Subsection] (4) above shall apply in relation to any scheme not approved before the day on which this Act is passed.

^{F100}(8)

(9) Subsection (5) above shall apply in relation to trusts established on or after the day on which this Act is passed; and for this purpose a trust is established when the deed under which it is established is executed.

Textual Amendments

- F97** S. 137(1)(6) repealed (19.3.1997 with effect as mentioned in s. 61(2)(3)) by 1997 c. 16, s. 113, **Sch. 18 Pt. VI(3)** Notes 1-3
- F98** S. 137(2)(3) repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1)**, s. 723, **Sch. 8 Pt. 1** (with Sch. 7)
- F99** Word in s. 137(7) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1)**, s. 723, **Sch. 6 para. 227** (with Sch. 7)
- F100** S. 137(8) repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1)**, s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

Marginal Citations

- M73** 1989 c. 26.

^{F101}**138 Charities, etc.: lotteries.**

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Textual Amendments

- F101** S. 138 repealed (with effect in accordance with s. 1184(1) of the amending Act) by **Corporation Tax Act 2010 (c. 4)**, s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

^{F102}**139 Sub-contractors in the construction industry.**

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Textual Amendments

- F102** S. 139 repealed (with effect in accordance with s. 77 of the amending Act) by **Finance Act 2004 (c. 12)**, **Sch. 42 Pt. 2(7)**

^{F103}**140 Valuation of trading stock on discontinuance of trade.**

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Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Textual Amendments

F103 S. 140 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

^{F104}**141 Incapacity benefit.**

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Textual Amendments

F104 S. 141 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F105}**142 Annuities purchased where certain claims or actions are settled.**

The following sections shall be inserted after section 329 of the Taxes Act 1988—

“ **Annuities purchased for certain persons.**

- (1) In a case where—
- (a) an agreement is made settling a claim or action for damages for personal injury,
 - (b) under the agreement the damages are to consist wholly or partly of periodical payments, and
 - (c) under the agreement the person entitled to the payments is to receive them as the annuitant under one or more annuities purchased for him by the person against whom the claim or action is brought or, if he is insured against the claim concerned, by his insurer,
- the agreement is for the purposes of this section a qualifying agreement.
- (2) In a case where—
- (a) an agreement is made settling a claim or action for damages for personal injury,
 - (b) under the agreement the damages are to consist wholly or partly of periodical payments, and
 - (c) a later agreement is made under which the person entitled to the payments is from a future date to receive them as the annuitant under one or more annuities purchased for him by the person against whom the claim or action is brought or, if he is insured against the claim concerned, by his insurer,
- the agreement mentioned in paragraph (c) above is for the purposes of this section a qualifying agreement.
- (3) Subsection (4) below applies where—
- (a) a person receives a sum as the annuitant under an annuity purchased for him pursuant to a qualifying agreement, or
 - (b) a person receives a sum on behalf of the annuitant under an annuity purchased for the annuitant pursuant to a qualifying agreement.

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- (4) Where this subsection applies the sum shall not be regarded as the recipient's or annuitant's income for any purposes of income tax and accordingly shall be paid without any deduction under section 349(1).
- (5) Subsections (6) to (10) below apply for the purposes of subsection (1) above.
- (6) The periodical payments may be for the life of the claimant, for a specified period or of a specified number or minimum number or include payments of more than one of those descriptions.
- (7) The amounts of the periodical payments (which need not be at a uniform rate or payable at uniform intervals) may be—
 - (a) specified in the agreement, with or without provision for increases of specified amounts or percentages,
 - (b) subject to adjustment in a specified manner so as to preserve their real value, or
 - (c) partly specified as mentioned in paragraph (a) and partly subject to adjustment as mentioned in paragraph (b) above.
- (8) The annuity or annuities must be such as to provide sums which as to amount and time of payment correspond to the periodical payments described in the agreement.
- (9) Personal injury includes any disease and any impairment of a person's physical or mental condition.
- (10) A claim or action for personal injury includes—
 - (a) such a claim or action brought by virtue of the ^{M74}Law Reform (Miscellaneous Provisions) Act 1934;
 - (b) such a claim or action brought by virtue of the ^{M75}Law Reform (Miscellaneous Provisions) Act (Northern Ireland) 1937;
 - (c) such a claim or action brought by virtue of the ^{M76}Damages (Scotland) Act 1976;
 - (d) a claim or action brought by virtue of the ^{M77}Fatal Accidents Act 1976;
 - (e) a claim or action brought by virtue of the ^{M78}Fatal Accidents (Northern Ireland) Order 1977.
- (11) For the purposes of subsection (2) above—
 - (a) subsections (6), (9) and (10) above apply;
 - (b) subsection (7) above applies as if the reference to the agreement were to that mentioned in subsection (2)(a) above;
 - (c) subsection (8) above applies as if the reference to periodical payments described in the agreement were to periodical payments described in the agreement mentioned in subsection (2)(a) above and falling to be made after the later agreement takes effect.
- (12) This section does not apply unless the sum concerned is received after the day on which the Finance Act 1995 is passed, but it is immaterial when—
 - (a) the agreement mentioned in subsection (1) above is made or takes effect, or
 - (b) either of the agreements mentioned in subsection (2) above is made or takes effect.

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Annuities assigned in favour of certain persons.

- (1) In a case where—
- (a) an agreement is made settling a claim or action for damages for personal injury,
 - (b) under the agreement the damages are to consist wholly or partly of periodical payments,
 - (c) the person against whom the claim or action is brought (or, if he is insured against the claim concerned, his insurer) purchases one or more annuities, and
 - (d) a later agreement is made under which the annuity is, or the annuities are, assigned in favour of the person entitled to the payments so as to secure that from a future date he receives the payments as the annuitant under the annuity or annuities,
- the agreement mentioned in paragraph (d) above is for the purposes of this section a qualifying agreement.
- (2) Subsection (3) below applies where—
- (a) a person receives a sum as the annuitant under an annuity assigned in his favour pursuant to a qualifying agreement, or
 - (b) a person receives a sum on behalf of the annuitant under an annuity assigned in the annuitant's favour pursuant to a qualifying agreement.
- (3) Where this subsection applies the sum shall not be regarded as the recipient's or annuitant's income for any purposes of income tax and accordingly shall be paid without any deduction under section 349(1).
- (4) For the purposes of subsection (1) above—
- (a) subsections (6), (9) and (10) of section 329A apply;
 - (b) subsections (7) and (8) of section 329A apply as if references to the agreement were to that mentioned in subsection (1)(a) above.
- (5) This section does not apply unless the sum concerned is received after the day on which the Finance Act 1995 is passed, but it is immaterial when either of the agreements mentioned in subsection (1) above is made or takes effect.”]

Textual Amendments

F105 S. 142 repealed (29.4.1996) by 1996 c. 8, s. 205, **Sch. 41 Pt. V(16)**

Marginal Citations

M74 1934 c. 41.

M75 1937 c. 9 (N.I.).

M76 1976 c. 13.

M77 1976 c. 30.

M78 S.I. 1977/1251 (N.I. 18).

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

143 Lloyd’s underwriters: new-style special reserve funds.

- (1) In Schedule 20 to the ^{M79}Finance Act 1993 (Lloyd’s underwriters: special reserve funds) paragraph 2 (general requirements about special reserve funds) shall be deemed to have been enacted with the modification in subsection (2) below.
- (2) For sub-paragraphs (2) and (3) there shall be substituted—
 - “(2) The arrangements must be such as to secure that—
 - (a) any income arising to the trustee or trustees of the special reserve fund shall be added to the capital of the fund and held on the same trusts as the fund; and
 - (b) except as required or permitted by this Schedule, no payments shall be made into or out of the special reserve fund.”

Marginal Citations

M79 1993 c. 34.

^{F106}**144 Local government residuary body.**

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Textual Amendments

F106 S. 144 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

145 Payment of rent &c., under deduction of tax.

- (1) In section 119(1) of the Taxes Act 1988 (rent, &c., payable in connection with mines, quarries and similar concerns), the words from “and, subject to subsection (2) below, shall be subject to deduction of income tax” to the end shall cease to have effect.

^{F107}(2)

- (3) The provisions of this section have effect in relation to payments made after the passing of this Act.

Textual Amendments

F107 S. 145(2) repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

PART IV

PETROLEUM REVENUE TAX

146 Restriction of unrelievable field losses.

^{F108}(1)

^{F108}(2)

(3) After subsection (4) of that section there shall be inserted—

“(5) Subsections (6) to (9) below apply if—

- (a) a claim is made for the allowance of an unrelievable field loss; and
- (b) the person to whom the loss accrued made a claim or election for the allowance of any expenditure unrelated to that field; and
- (c) that claim or election was received by the Board on or after 29th November 1994; and
- (d) the whole or a part of the expenditure to which the claim or election relates is allowed and, accordingly, falls to be taken into account under section 2(8)(a) of this Act for a chargeable period (whether beginning before or after 29th November 1994).

(6) Subject to subsection (7) below, where this subsection applies, from the amount which, apart from this subsection, would be the amount of the unrelievable field loss referred to in paragraph (a) of subsection (5) above there shall be deducted an amount equal to so much of any expenditure unrelated to the field as is allowed on a claim or election as mentioned in paragraph (d) of that subsection.

(7) If—

- (a) claims are made for the allowance of more than one unrelievable field loss derived from the same abandoned field, and
- (b) the person to whom the loss accrued is the same in respect of each of the unrelievable field losses,

subsection (6) above shall have effect as if the deduction referred to in that subsection fell to be made from the aggregate amount of those losses.

(8) Where subsection (7) above applies, the deduction shall be set against the unrelievable field losses in the order in which the claims for the allowance of each of those losses were received by the Board.

(9) In subsections (5) and (6) above, “expenditure unrelated to the field” means—

- (a) expenditure allowable under any of sections 5, 5A and 5B of this Act;
- (b) expenditure allowable under this section (derived from a different abandoned field); or
- (c) expenditure falling within section 65 of the ^{M80}Finance Act 1987 which is accepted by the Board as allowable in accordance with Schedule 14 to that Act;

and, in relation to expenditure falling within section 65 of the ^{M81}Finance Act 1987, “election” means an election under Part I of Schedule 14 to that Act.”

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Textual Amendments

F108 S. 146(1)(2) repealed (11.5.2001 with effect as mentioned in s. 101(5) of the amending Act) by 2001 c. 9, s. 110, Sch. 33 Pt. 3(2) Note 2

Marginal Citations

M80 1987 c. 16.

M81 1987 c. 16.

147 Removal of time limits for claims for unrelievable field losses.

- (1) In Schedule 8 to the ^{M82}Oil Taxation Act 1975 (procedural provisions as to allowance of unrelievable field losses), in paragraph 4 (claims)—
 - (a) in sub-paragraph (1) (which requires a participator to make a claim to the Board within a time limit), for the words from “and must be made” to “that is to say” there shall be substituted “ at any time after ” and the words from “and the date” to the end of the sub-paragraph shall be omitted; and
 - (b) in sub-paragraph (2) the words “within the time allowed for making the original claim” shall be omitted.
- (2) This section applies to claims made on or after the day on which this Act is passed.

Marginal Citations

M82 1975 c. 22.

148 Transfer of interests in fields: restriction of transferred losses.

- (1) In Schedule 17 to the ^{M83}Finance Act 1980 (transfer of interests in oil fields) paragraph 7 (transfer of unused losses from the old to the new participator) shall be amended as follows.
- (2) At the beginning of sub-paragraph (2) there shall be inserted “ Subject to the following provisions of this paragraph ”.
- (3) After sub-paragraph (2) there shall be inserted the following sub-paragraphs—
 - (3) If, in the case of a transfer of the whole or part of an interest on or after 29th November 1994,—
 - (a) the old participator made a claim or election for the allowance of any expenditure unrelated to the field, and
 - (b) the claim or election was received by the Board on or after that date, and
 - (c) the expenditure allowed on the claim or election fell to be taken into account in computing the assessable profit or allowable loss of the old participator for the transfer period or any earlier chargeable period,then, from the sum which, apart from this sub-paragraph, would be the aggregate of all the losses transferred to the new participator under this paragraph there shall be deducted (subject to sub-paragraphs (5) and (6) below) so much of the expenditure referred to in paragraph (a) above as is

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

allowed on the claim or election (and, accordingly, the amount so deducted shall not fall to be transferred to the new participator under this paragraph).

- (4) In this paragraph “expenditure unrelated to the field” means expenditure allowable under any of the following provisions—
- (a) section 5 (abortive exploration expenditure);
 - (b) section 5A (exploration and appraisal expenditure);
 - (c) section 5B (research expenditure);
 - (d) section 6 (unrelievable loss from abandoned field); and
 - (e) section 65 of the ^{M84}Finance Act 1987 (cross-field allowance of certain expenditure incurred on new fields);

and, in relation to any such expenditure, “claim” means a claim under Schedule 7 or Schedule 8 and “election” means an election under Part I of Schedule 14 to the ^{M85}Finance Act 1987 and, in relation to such an election, expenditure shall be regarded as allowed if it is accepted by the Board as allowable in accordance with that Schedule.

- (5) Where, in accordance with sub-paragraph (1) above, only a part of a loss (corresponding to the part of the interest transferred) falls to be transferred under this paragraph, only a corresponding part of the expenditure referred to in sub-paragraph (3) above shall be deducted under that sub-paragraph.
- (6) Where the amount of the deduction under sub-paragraph (3) above equals or exceeds the sum from which it is to be deducted, no part of any loss shall be transferred to the new participator under this paragraph.”

Marginal Citations

M83 1980 c. 48.

M84 1987 c. 16.

M85 1987 c. 16.

PART V

STAMP DUTY

149 Transfer: associated bodies.

- (1) Section 42 of the ^{M86}Finance Act 1930 (relief from transfer stamp duty in case of transfer of property as between associated bodies corporate) shall be amended as mentioned in subsections (2) to (5) below.
- (2) In subsection (2) (as substituted by section 27(2) of the ^{M87}Finance Act 1967) for the words from “that the effect” to the end of the subsection there shall be substituted “that—
- (a) the effect of the instrument is to convey or transfer a beneficial interest in property from one body corporate to another, and
 - (b) the bodies in question are associated at the time the instrument is executed.”
- (3) The following subsections shall be inserted after subsection (2) (as so substituted)—

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- “(2A) For the purposes of this section bodies corporate are associated at a particular time if at that time one is the parent of the other or another body corporate is the parent of each.
- (2B) For the purposes of this section one body corporate is the parent of another at a particular time if at that time the first body is beneficial owner of not less than 75 per cent. of the ordinary share capital of the second body.”
- (4) In subsection (3) (as so substituted) for “(2)” there shall be substituted “ (2B) ”, and the words from “with the substitution” to the end shall be omitted.
- (5) The following subsection shall be inserted after subsection (3) (as so substituted)—
- “(4) In this section “ordinary share capital”, in relation to a body corporate, means all the issued share capital (by whatever name called) of the body corporate, other than capital the holders of which have a right to a dividend at a fixed rate but have no other right to share in the profits of the body corporate.”
- (6) In section 27 of the ^{M88}Finance Act 1967 (which relates to section 42 of the ^{M89}Finance Act 1930) in subsection (3)(c) for the words from “a change” to “third body corporate” there shall be substituted “ the transferor or a third body corporate ceasing to be the transferee’s parent (within the meaning of the said section 42) ”.
- (7) This section shall apply in relation to instruments executed on or after the day on which this Act is passed.

Marginal Citations

- M86** 1930 c. 28.
M87 1967 c. 54.
M88 1967 c. 54.
M89 1930 c. 28.

150 Northern Ireland transfer: associated bodies.

- (1) Section 11 of the ^{M90}Finance Act (Northern Ireland) 1954 (relief from stamp duty in case of transfer of property between associated bodies corporate) shall be amended as follows.
- (2) In subsection (2)(c)(iii) for the words from “a change” to “third body corporate” there shall be substituted “ the transferor or a third body corporate ceasing to be the transferee’s parent ”.
- (3) The following subsections shall be substituted for subsection (3)—
- “(3) For the purposes of this section a body corporate is associated with another body corporate at a particular time if at that time one is the parent of the other or another body corporate is the parent of each.
- (3AA) For the purposes of this section one body corporate is the parent of another at a particular time if at that time the first body is beneficial owner of not less than 75 per cent. of the ordinary share capital of the second body.”

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

- (4) In subsection (3A) for the words “paragraphs (i) and (ii) of subsection (3)” there shall be substituted “subsection (3AA)”, and the words from “with the substitution” to the end shall be omitted.
- (5) The following subsection shall be inserted after subsection (3A)—
- “(3AB) In this section “ordinary share capital”, in relation to a body corporate, means all the issued share capital (by whatever name called) of the body corporate, other than capital the holders of which have a right to a dividend at a fixed rate but have no other right to share in the profits of the body corporate.”
- (6) This section shall apply in relation to instruments executed on or after the day on which this Act is passed.

Marginal Citations

M90 1954 c. 23 (N.I.).

151 Lease or tack: associated bodies.

- (1) Stamp duty under [F109Part II of Schedule 13 to the Finance Act 1999 (lease)] shall not be chargeable on an instrument which is—
- (a) a [F110lease],
 - (b) an agreement for a [F110lease], or
 - (c) an agreement with respect to a letting,
- as respects which the condition in subsection (2) below is satisfied. [F111This subsection is subject to subsection (4A) below.]
- (2) The condition is that it is shown to the satisfaction of the Commissioners of Inland Revenue that—
- (a) the lessor is a body corporate and the lessee is another body corporate,
 - (b) those bodies are associated at the time the instrument is executed,
 - (c) in the case of an agreement, the agreement is for the [F112lease] or letting to be granted to the lessee or to a body corporate which is associated with the lessee at the time the instrument is executed, and
 - (d) the instrument is not executed in pursuance of or in connection with an arrangement falling within subsection (3) below.
- (3) An arrangement falls within this subsection if it is one under which—
- (a) the consideration, or any part of the consideration, for the [F112lease] or agreement was to be provided or received (directly or indirectly) by a person other than a body corporate which at the relevant time was associated with either the lessor or the lessee, or
 - (b) the lessor and the lessee were to cease to be associated by reason of the lessor or a third body corporate ceasing to be the lessee’s parent;
- and the relevant time is the time of the execution of the instrument.
- (4) Without prejudice to the generality of paragraph (a) of subsection (3) above, an arrangement shall be treated as within that paragraph if it is one under which the lessor or the lessee or a body corporate associated with either at the relevant time was to be enabled to provide any of the consideration, or was to part with any of it, by or

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in consequence of the carrying out of a transaction which involved (or transactions any of which involved) a payment or other disposition by a person other than a body corporate associated with the lessor or the lessee at the relevant time.

- [^{F113}(4A) An instrument shall not be exempt from stamp duty by virtue of subsection (1) above if at the time the instrument is executed arrangements are in existence by virtue of which at that or some later time any person has or could obtain, or any persons together have or could obtain, control of the lessee but not of the lessor.]
- (5) An instrument mentioned in subsection (1) above shall not be treated as duly stamped unless—
- (a) it is duly stamped in accordance with the law that would apply but for that subsection, or
 - (b) it has, in accordance with section 12 of the ^{M91}Stamp Act 1891, been stamped with a particular stamp denoting either that it is not chargeable with any duty or that it is duly stamped.
- (6) In this section—
- (a) references to the lessor are to the person granting the [^{F114}lease] or (in the case of an agreement) agreeing to grant the [^{F114}lease] or letting;
 - (b) references to the lessee are to the person being granted the [^{F114}lease] or (in the case of an agreement) agreeing for the [^{F114}lease] or letting to be granted to him or another.
- (7) For the purposes of this section bodies corporate are associated at a particular time if at that time one is the parent of the other or another body corporate is the parent of each.
- (8) For the purposes of this section one body corporate is the parent of another at a particular time if at that time the first body.
- [^{F115}(a)] is beneficial owner of not less than 75 per cent. of the ordinary share capital of the second body.
 - [^{F115}(b)] is beneficially entitled to not less than 75 per cent of any profits available for distribution to equity holders of the second body; and
 - ^{F115}(c) would be beneficially entitled to not less than 75 per cent of any assets of the second body available for distribution to its equity holders on a winding-up.]
- (9) In subsection (8) above “ordinary share capital”, in relation to a body corporate, means all the issued share capital (by whatever name called) of the body corporate, other than capital the holders of which have a right to a dividend at a fixed rate but have no other right to share in the profits of the body corporate.
- (10) The ownership referred to in [^{F116}paragraph (a) of] subsection (8) above is ownership either directly or through another body corporate or other bodies corporate, or partly directly and partly through another body corporate or other bodies corporate; and Part I of Schedule 4 to the ^{M92}Finance Act 1938 (determination of amount of capital held through other bodies corporate) shall apply for the purposes of [^{F117}that paragraph].
- [^{F118}(10A) [^{F119}Chapter 6 of Part 5 of the Corporation Tax Act 2010] shall apply for the purposes of paragraphs (b) and (c) of subsection (8) as it applies for the purposes of [^{F120}section 151(4)(a) and (b)] of that Act; but this is subject to subsection (10B).
- ^{F118}(10B) In determining for the purposes of this section whether a body corporate is the parent of the lessor, [^{F121}sections 171(1)(b) and (3), 173, 174 and 176 to 178 of the Corporation Tax Act 2010] shall not apply for the purposes of paragraph (b) or (c) of subsection (8) above.

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^{F118}(10C) In this section, “control” shall be construed in accordance with [^{F122}section 1124 of the Corporation Tax Act 2010].]

(11) This section shall apply in relation to instruments executed on or after the day on which this Act is passed.

Textual Amendments

- F109** Words in s. 151(1) substituted (27.7.1999 with effect as mentioned s. 112(6) of the amending Act) by 1999 c. 16, s. 112(4)(6), **Sch. 14 para. 33(a)** (with s. 122(1)-(3))
- F110** Words in s. 151(1)(a)(b) substituted (27.7.1999 with effect as mentioned s. 112(6) of the amending Act) by 1999 c. 16, s. 112(4)(6), **Sch. 14 para. 33(b)** (with s. 122(1)-(3))
- F111** Words in s. 151(1) inserted (28.7.2000 with effect as mentioned in s. 125(7) of the amending Act) by 2000 c. 17, s. 125(2)(7)
- F112** Words in s. 151(2)(c)(3)(a) substituted (27.7.1999 with effect as mentioned s. 112(6) of the amending Act) by 1999 c. 16, s. 112(4)(6), **Sch. 14 para. 33(b)** (with s. 122(1)-(3))
- F113** S. 151(4A) inserted (28.7.2000 with effect as mentioned in s. 125(7) of the amending Act) by 2000 c. 17, s. 125(3)(7)
- F114** Words in s. 151(6)(a)(b) substituted (27.7.1999 with effect as mentioned s. 112(6) of the amending Act) by 1999 c. 16, s. 112(4)(6), **Sch. 14 para. 33(b)** (with s. 122(1)-(3))
- F115** S. 151(8)(b)(c) and “(a)” in s. 151(8) inserted (28.7.2000 with effect as mentioned in s. 125(7) of the amending Act) by 2000 c. 17, s. 125(4)(7)
- F116** Words in s. 151(10) inserted (28.7.2000 with effect as mentioned in s. 125(7) of the amending Act) by 2000 c. 17, s. 125(5)(a)(7)
- F117** Words in s. 151(10) substituted (28.7.2000 with effect as mentioned in s. 125(7) of the amending Act) by 2000 c. 17, s. 125(5)(b)(7)
- F118** S. 151(10A)-(10C) inserted (28.7.2000 with effect as mentioned in s. 125(7) of the amending Act) by 2000 c. 17, s. 125(6)(7)
- F119** Words in s. 151(10A) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 287(2)(a)** (with Sch. 2)
- F120** Words in s. 151(10A) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 287(2)(b)** (with Sch. 2)
- F121** Words in s. 151(10B) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 287(3)** (with Sch. 2)
- F122** Words in s. 151(10C) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 287(4)** (with Sch. 2)

Modifications etc. (not altering text)

- C2** S. 151 restricted (retrospective to 24.4.2002) by Finance Act 2002 (c. 23), s. 111(4)(b)(10), Sch. 34

Marginal Citations

- M91** 1891 c. 39.
M92 1938 c. 46.

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

PART VI

MISCELLANEOUS AND GENERAL

Miscellaneous

152 Open-ended investment companies.

- (1) The Treasury may, by regulations, make such provision as they consider appropriate for securing that the enactments specified in subsection (2) below have effect in relation to—
- (a) open-ended investment companies of any such description as may be specified in the regulations,
 - (b) holdings in, and the assets of, such companies, and
 - (c) transactions involving such companies,
- in a manner corresponding, subject to such modifications as the Treasury consider appropriate, to the manner in which they have effect in relation to unit trusts, to rights under, and the assets subject to, such trusts and to transactions for purposes connected with such trusts.
- (2) The enactments referred to in subsection (1) above are—
- (a) the Tax Acts and the ^{M93}Taxation of Chargeable Gains Act 1992; and
 - (b) the enactments relating to stamp duty and [^{F123}stamp duty reserve tax].
- (3) The power of the Treasury to make regulations under this section in relation to any such enactments shall include power to make provision which does any one or more of the following, that is to say—
- (a) identifies the payments which are or are not to be treated, for the purposes of any prescribed enactment, as the distributions of open-ended investment companies;
 - (b) modifies the operation [^{F124}in relation to open-ended investment companies, or in relation to payments falling to be treated as the distributions of such companies, of any of the following provisions of Part 23 of the Corporation Tax Act 2010—
 - (i) any provision of Chapter 2, except section 1000(2),
 - (ii) sections 1030 to 1048,
 - (iii) section 1049(1) and (3),
 - (iv) sections 1059 to 1063, and
 - (v) Chapter 5.]
 - (c) applies and adapts any of the provisions of [^{F125}the enactments relating to stamp duty or stamp duty reserve tax] for the purpose of making in relation to transactions involving open-ended investment companies any provision corresponding (with or without modifications) to that which applies under [^{F126}those enactments] in the case of equivalent transactions involving unit trusts;
 - (d) provides for any or all of the provisions of sections 75 to 77 of the ^{M94}Finance Act 1986 to have effect or not to have effect in relation to open-ended investment companies or the undertakings of, or any shares in, such companies;

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- (e) so modifies the operation of any prescribed enactment in relation to any such companies as to secure that arrangements for treating the assets of an open-ended investment company as assets comprised in separate pools are given an effect corresponding, in prescribed respects, to that of equivalent arrangements constituting the separate parts of an umbrella scheme;
 - (f) requires prescribed enactments to have effect in relation to an open-ended investment company as if it were, or were not, a member of the same group of companies as one or more other companies;
 - (g) identifies the holdings in open-ended investment companies which are, or are not, to be treated for the purposes of any prescribed enactment as comprised in the same class of holdings;
 - (h) preserves a continuity of tax treatment where, in connection with any scheme of re-organisation, assets of one or more unit trusts become assets of one or more open-ended investment companies, or vice versa;
 - (i) treats the separate parts of the undertaking of an open-ended investment company in relation to which provision is made by virtue of paragraph (e) above as distinct companies for the purposes of any regulations under this section;
 - (j) amends, adapts or applies the provisions of any subordinate legislation made under or by reference to any enactment modified by the regulations.
- (4) The power to make regulations under this section shall be exercisable by statutory instrument and shall include power—
- (a) to make different provision for different cases; and
 - (b) to make such incidental, supplemental, consequential and transitional provision as the Treasury may think fit.
- (5) A statutory instrument containing regulations under this section shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (6) In this section—
- “the enactments relating to stamp duty” means the ^{M95}Stamp Act 1891, and any enactment (including any Northern Ireland legislation) which amends or is required to be construed together with that Act;
 - [^{F127}“the enactments relating to stamp duty reserve tax” means Part IV of the Finance Act 1986 and any enactment which amends or is required to be construed as one with that Part;]
 - “Northern Ireland legislation” shall have the meaning given by section 24(5) of the ^{M96}Interpretation Act 1978;
 - [^{F128}“open-ended investment company” shall have the meaning given by section 236 of the Financial Services and Markets Act 2000;]
 - “prescribed” means prescribed by regulations under this section;
 - “subordinate legislation” means any subordinate legislation within the meaning of the ^{M97}Interpretation Act 1978 or any order or regulations made by statutory instrument under Northern Ireland legislation; and
 - “umbrella scheme” shall have the meaning given by [^{F129}section 619 of the Corporation Tax Act 2010];
- and references in this section to the enactments relating to stamp duty, or to any of them, or to Part IV of the Finance Act 1986 shall have effect as including references to enactments repealed by sections 107 to 110 of the ^{M98}Finance Act 1990.

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- (7) Any reference in this section to unit trusts has effect—
- (a) for the purposes of so much of this section as confers power in relation to the enactments specified in paragraph (a) of subsection (2) above, as a reference to authorised unit trusts (within the meaning of [^{F130}sections 616 and 619(3) of the Corporation Tax Act 2010]), and
 - (b) for the purposes of so much of this section as confers power in relation to the enactments specified in paragraph (b) of that subsection, as a reference to any unit trust scheme (within the meaning given by section 57 of the ^{M99}Finance Act 1946).
- (8) For the purposes of this section the enactments which shall be taken to make provision in relation to companies that are members of the same group of companies shall include any enactments which make provision in relation to a case—
- (a) where one company has, or in relation to another company is, a subsidiary, or a subsidiary of a particular description, or
 - (b) where one company controls another or two or more companies are under the same control. ^{M100}

Textual Amendments

- F123** Words in s. 152(2)(b) substituted (6.2.2000) by 1999 c. 16, s. 122(4), **Sch. 19 para. 13(1)(2)**
- F124** Words in s. 152(3)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 288(2)** (with Sch. 2)
- F125** Words in s. 152(3)(c) substituted (6.2.2000) by 1999 c. 16, s. 122(4), **Sch. 19 para. 13(1)(3)(a)**
- F126** Words in s. 152(3)(c) substituted (6.2.2000) by 1999 c. 16, s. 122(4), **Sch. 19 para. 13(1)(3)(b)**
- F127** S. 152(6): definition of “the enactments relating to stamp duty reserve tax” inserted (6.2.2000) by 1999 c. 16, s. 122(4), **Sch. 19 para. 13(1)(4)**
- F128** S. 152(6): definition of “open-ended investment company” substituted (1.12.2001) by S.I. 2001/3629, **art. 90**
- F129** Words in s. 152(6) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 288(3)** (with Sch. 2)
- F130** Words in s. 152(7)(a) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 288(4)** (with Sch. 2)

Marginal Citations

- M93** 1992 c. 12.
M94 1986 c. 41.
M95 1891 c. 39.
M96 1978 c. 30.
M97 1978 c. 30.
M98 1986 c. 41.
M99 1946 c. 64.
M100 1990 c. 29.

^{F131}153

Status: This version of this Act contains provisions that are prospective.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Textual Amendments

F131 S. 153 repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. VII Notes 1, 2 of the amending Act) by 1999 c. 16, s. 139, **Sch. 20 Pt. VII** Notes 1, 2

154 Short rotation coppice.

- (1) ^{F132}... The cultivation of short rotation coppice shall be regarded for the purposes of ^{F133}... the ^{M101}Taxation of Chargeable Gains Act 1992 as farming (and, where relevant, as husbandry or agriculture) and not as forestry; and land in the United Kingdom on which the activity is carried on shall accordingly be regarded for those purposes as farm land or agricultural land, as the case may be, and not as woodlands.

^{F134}(1A)

- (2) For the purposes of the ^{M102} Inheritance Tax Act 1984 the cultivation of short rotation coppice shall be regarded as agriculture; and accordingly for those purposes—
- (a) land on which short rotation coppice is cultivated shall be regarded as agricultural land, and
 - (b) buildings used in connection with the cultivation of short rotation coppice shall be regarded as farm buildings.
- (3) In subsections (1) and (2) “short rotation coppice” means a perennial crop of tree species planted at high density, the stems of which are harvested above ground level at intervals of less than ten years.
- (4) Subsection (1) and subsection (3) so far as relating to subsection (1) shall be deemed to have come into force on 29th November 1994.
- (5) Subsection (2) and subsection (3) so far as relating to subsection (2) shall have effect in relation to transfers of value or other events occurring on or after 6th April 1995.

Textual Amendments

F132 Words in s. 154(1) repealed (6.4.2007) by **Income Tax Act 2007 (c. 3)**, s. 1034(1), **Sch. 1 para. 369(2)** (a), **Sch. 3 Pt. 1** (with **Sch. 2**)

F133 Words in s. 154(1) repealed (with effect in accordance with s. 1184(1) of the amending Act) by **Corporation Tax Act 2010 (c. 4)**, s. 1184(1), **Sch. 1 para. 289**, **Sch. 3 Pt. 1** (with **Sch. 2**)

F134 S. 154(1A) repealed (6.4.2007) by **Income Tax Act 2007 (c. 3)**, s. 1034(1), **Sch. 1 para. 369(3)**, **Sch. 3 Pt. 1** (with **Sch. 2**)

Marginal Citations

M101 1992 c. 12.

M102 1984 c.51

155 Inheritance tax: agricultural property.

- (1) In section 116 of the Inheritance Tax Act 1984 (relief for transfers of agricultural property) in subsection (2) (rate of relief) the word “either” shall be omitted and at the end of paragraph (b) there shall be inserted “or
- (c) the interest of the transferor in the property immediately before the transfer does not carry either of the rights mentioned in paragraph (a)

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above because the property is let on a tenancy beginning on or after 1st September 1995.”.

[^{F135}(2) After subsection (2) of that section there shall be inserted the following subsection—

“(2A) In the application of this section as respects property in Scotland, the reference in subsection (2)(c) above to a tenancy beginning on or after 1st September 1995 includes a reference to its being acquired on or after that date by right of succession (the date of acquisition being taken to be the date on which the successor gives relevant notice under section 12 of the ^{M103}Agricultural Holdings (Scotland) Act 1991).”]

(3) Subsections (1) and (2) above shall apply in relation to transfers of value made, and other events occurring, on or after 1st September 1995.

Textual Amendments

F135 S. 155(2) repealed (29.4.1996 with effect as mentioned in s. 185(3)(6) of the amending Act) by 1996 c. 8, s. 205, Sch. 41 Pt. VI

Marginal Citations

M103 1991 c. 55.

156 Proceedings for tax in sheriff court.

(1) Section 67 of the ^{M104}Taxes Management Act 1970 (proceedings for tax in sheriff court) shall be amended as follows.

(2) In subsection (1) (tax not exceeding a specified sum recoverable in sheriff court) for the words from “where” to “the tax” there shall be substituted “ tax due and payable under any assessment ”.

(3) The following subsection shall be inserted after subsection (1)—

“(1A) An officer of the Board who is authorised by the Board to do so may address the court in any proceedings under this section.”

(4) This section shall apply in relation to proceedings commenced after the day on which this Act is passed.

Marginal Citations

M104 1970 c. 9.

157 Certificates of tax deposit.

(1) If, whether before or after the passing of this Act—

- (a) any person (“the depositor”) has received any sum on the making, on or after 6th April 1990, of a withdrawal for cash of a tax deposit made before that date,
- (b) the whole or any part of any qualifying tax liability has been discharged by any payment made otherwise than by the application of a tax deposit, and
- (c) that payment was made in the period beginning one month before the withdrawal and ending one month afterwards,

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the depositor shall be entitled to receive compensation under this section from the Board.

- (2) In this section “qualifying tax liability”, in relation to a tax deposit, means so much of any liability as is—
- (a) a liability of any person for any tax for the year 1990-91 or any subsequent year of assessment, or for interest on such tax;
 - (b) a liability that relates to tax for a year of assessment during the whole or any part of which that person was married to the depositor; and
 - (c) a liability of such a description that, if it had been a liability of the depositor (and the withdrawal were to be disregarded), the whole or any part of it could have been discharged, immediately before the time of the payment mentioned in subsection (1)(b) above, by the application of that deposit and of accrued interest thereon.
- (3) Subject to the following provisions of this section, the amount of the compensation to which the depositor is entitled under this section in the case of any deposit withdrawn for cash shall be equal to the difference between—
- (a) the sum received as mentioned in subsection (1)(a) above on the withdrawal; and
 - (b) the sum that would have been received if interest had accrued on the relevant part of the sum received at the rate applicable under the relevant terms to sums applied in the payment of tax, instead of at the rate applicable to a withdrawal for cash.
- (4) In subsection (3) above, the reference to the relevant part of the sum received on the withdrawal of a deposit is a reference to the following amount, that is to say—
- (a) in a case where the sum received on the withdrawal is equal to or smaller than the amount of the liability discharged by the payment mentioned in subsection (1)(b) above, the amount equal to such part of the sum actually received as does not represent interest that has accrued under the relevant terms; and
 - (b) in any other case, to the amount which would have been the amount specified in paragraph (a) above if the sum actually received on the withdrawal had been equal to the amount of qualifying tax liability so discharged.
- (5) The amount of compensation to which any person is entitled under this section shall also include an amount equal to interest, for the period from the withdrawal mentioned in subsection (1)(a) above until the payment of the compensation, on the amount determined in accordance with subsection (3) above; and a liability to compensation under this section shall not bear interest apart from in accordance with this subsection.
- (6) Section 178 of the ^{M105}Finance Act 1989 (interest rates) shall apply to subsection (5) above for determining the rate of the interest treated, by virtue of that subsection, as included in any compensation under this section; and any regulations under that section which are in force at the passing of this Act shall be deemed, subject to the powers of the Treasury under that section, to have effect in relation to this section as they have effect in relation to the enactments specified in subsection (2)(f) of that section (interest on overdue tax).
- (7) The part of any compensation under this section that represents interest under subsection (5) above shall not be treated as included in the income of the depositor for the purposes of income tax; but the remainder shall be chargeable to income tax

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under [^{F136}Chapter 2 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 (interest)].

- (8) No compensation shall be paid under this section unless a claim for it has been made to the Board.
- (9) Where any claim is made under this section with respect to any withdrawal for cash of a tax deposit—
 - (a) this section shall have effect if there is, in the period mentioned in subsection (1)(c) above, more than one such payment as is mentioned in subsection (1)(b) above as if (subject to paragraph (b) below) all the payments in that period were, for the purposes of that claim, to be aggregated and treated as one such payment; and
 - (b) the amount of compensation payable under this section on that claim shall be computed without regard to so much of any payment discharging a qualifying tax liability as, in pursuance of any claim under this section, has been or is to be so taken into account as to affect the amount of compensation payable in the case of any other withdrawal.
- (10) Sums required by the Board for paying compensation under this section shall be issued to the Board by the Treasury out of the National Loans Fund.
- (11) A withdrawal for cash of a tax deposit shall be taken for the purposes of this section to occur at the same time as, under the relevant terms, it is deemed to occur for the purposes of the calculation of interest on the amount withdrawn.
- (12) This section shall be construed as one with the Tax Acts, and in this section—
 - (a) references to a tax deposit are references to the whole or any part of any deposit in respect of which a certificate of tax deposit has been issued by the Treasury under section 12 of the ^{M106}National Loans Act 1968; and
 - (b) references to the relevant terms, in relation to a tax deposit, are references to the terms applicable to that deposit and to the certificate issued in respect of it.

Textual Amendments

F136 Words in s. 157(7) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 482](#) (with [Sch. 2](#))

Marginal Citations

M105 1989 c. 26.

M106 1968 c. 13.

^{F137}**158 Amendment of the Exchequer and Audit Departments Act 1866.**

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Textual Amendments

F137 [S. 158](#) repealed (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), s. 53(1), [Sch. 4 para. 60](#), [Sch. 5](#); [S.I. 2005/1126](#), art. 2(2)(h)(i)

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159 Ports levy.

- (1) In Part I of the ^{M107}Ports Act 1991 (transfer of statutory port undertakings), after section 15 (duty to provide information for purposes of levy) insert—

“15A Notice of assessment: supplementary provisions.

- (1) Where a notice of assessment has been served under section 14(2) above on a former relevant port authority (“the authority”), the authority may, within the period mentioned in section 14(3) above, by notice in writing request the appropriate Minister to reconsider the amount of the assessment.

The request shall set out the grounds on which the authority allege that the amount assessed is incorrect.

- (2) If it appears to the Minister that there are reasonable grounds for believing that the amount of the assessment may be excessive, he may direct that section 14(3) and (4) above shall not apply to the whole amount of the assessment but only to such lesser amount as he may specify.
- (3) If a request for reconsideration is duly made, the appropriate Minister shall reconsider the amount of the assessment and may confirm or reduce it.

An appeal lies to the High Court or, in Scotland, to the Court of Session as the Court of Exchequer in Scotland from any decision of the Minister under this subsection.

- (4) The appropriate Minister may reconsider the amount of an assessment under section 14(2) above in any other case, if he thinks fit, and may confirm or reduce it.
- (5) When the amount of the assessment is finally determined—
- (a) if the amount of the assessment is less than the amount paid by the authority, the appropriate Minister shall make such payment to the authority as is required to put the authority in the same position as if the reduced amount had been specified in the original assessment;
 - (b) if a further amount is payable by the authority, section 14(3) and (4) above shall apply in relation to that amount as if the reference to the date of issue of the notice of assessment were a reference to the date of the determination.

- (6) Except as provided by this section a notice of assessment under section 14(2) above shall not be questioned in any legal proceedings whatsoever.”

- (2) Sections 115 to 120 of the ^{M108}Finance Act 1990 (levy on privatisation of certain ports) shall cease to have effect.
- (3) An Order in Council under paragraph 1(1)(b) of Schedule 1 to the ^{M109}Northern Ireland Act 1974 (legislation for Northern Ireland in the interim period) which states that it is made only for purposes corresponding to those of subsection (1) above—
- (a) shall not be subject to paragraph 1(4) and (5) of that Schedule (affirmative resolution of both Houses of Parliament), but
 - (b) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Status: This version of this Act contains provisions that are prospective.
Changes to legislation: There are currently no known outstanding effects for the Finance Act 1995. (See end of Document for details)

Marginal Citations

- M107 1991 c. 52.
- M108 1990 c. 29.
- M109 1974 c. 28.

^{F138}160

Textual Amendments

- F138 S. 160 repealed (19.11.1998) by 1998 c. 43, s. 1(1), Sch. 1 Pt. IV Group 5

General

161 Interpretation.

- (1) In this Act “the Taxes Act 1988” means the ^{M110}Income and Corporation Taxes Act 1988.
- (2) In Part III of this Act “the Management Act” means the ^{M111}Taxes Management Act 1970.
- (3) Part V of this Act shall be construed as one with the ^{M112}Stamp Act 1891.

Marginal Citations

- M110 1988 c. 1.
- M111 1970 c. 9.
- M112 1891 c. 39.

162 Repeals.

The provisions specified in Schedule 29 to this Act (which include provisions which are already spent) are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision of that Schedule.

163 Short title.

This Act may be cited as the Finance Act 1995.

Status:

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Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1995.